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## **ROUND TABLE WITH EU CLIMATE COMMISSIONER CONNIE HEDEGAARD AND BUSINESS LEADERS**

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### **ADRESS BY JÜRGEN R. THUMANN, PRESIDENT OF BUSINESSEUROPE**

Dear Commissioner,  
Dear colleagues,

On behalf of BUSINESSEUROPE I would like to thank you, Commissioner, for holding this business round table on how to shift to a low-carbon society. European business is happy to share best practices on how it leads by example. Many success stories, for example in energy efficiency, renewables or nuclear energy, carry the label “made in Europe”. European companies, some of which are present here today, have impressive track records for reducing their emissions and, more importantly, for enabling emission reductions across European society and across the world through their innovative products and solutions.

BUSINESSEUROPE is committed to achieving the EU's 2020 climate and energy targets. An important element of this strategy is working towards the conclusion of a comprehensive international climate change agreement. Climate change can only be tackled globally. However, the international climate conference in Copenhagen was a disappointment. Europe's policy strategy to lead by example through unilateral emission targets did not work there. Therefore we are convinced that any further increase of the EU's unilateral 20% emission reduction target at this point in time would be counterproductive. This view is unanimously shared by all 40 national member federations of BUSINESSEUROPE.

Rather than focusing the EU climate policy discussion on new numerical targets the Commission should concentrate on creating a long-term framework for a sustainable, secure and cost-efficient energy future in Europe. I would like to put forward five elements which are essential in our view for creating such a future:



1. In order to lead by example, Europe needs to grow. But Europe is having more difficulties to come out of the crisis than the US, let alone China. The crisis has not made it easier for Europe to achieve higher emission targets. On the contrary, SMEs in particular today lack capital to invest in costly new technologies.
2. Europe needs a strong and diversified industrial base. It is not helpful to divide industry artificially into “green” and other sectors. Wind turbines need cement and fiberglass. Energy-efficient houses need glass and chemical products.

Energy-intensive industries subject to the EU Emission Trading Scheme have already improved their energy efficiency, by more than 20% between 1990 and 2007. They have also been hit very hard by the economic crisis. Now artificially raising the CO<sub>2</sub> price in the EU ETS for these industries would send the wrong signal.

3. Energy efficiency is the element in the low-carbon equation with the most obvious synergies between growth, energy security and climate protection. Various McKinsey cost curves which assess available low-carbon technologies indicate that much of the required emission savings can come from more efficient energy use, especially in the household sector. The upcoming EU Energy Efficiency Action Plan will be an essential instrument in this respect.
4. Urgent measures must be taken to encourage investment in the European energy system in the coming years. We need a European energy grid for the 21<sup>st</sup> century with adequate cross-border interconnections, smart grids, etc. in order to ensure secure, affordable and low-carbon energy supply in the coming decades in Europe.
5. Improving conditions for R&D to bring low-carbon technologies forward is crucial, for example through the EU Strategic Energy Technologies (SET-) Plan. We can learn from the US, but also increasingly from China, when it comes to facilitating research and transforming inventions into innovations. Care must be taken not to try to pick winners too early.

Commissioner, we encourage you to work towards a comprehensive low-carbon vision for Europe by integrating fully EU policies for climate, energy and industry. BUSINESSEUROPE stands ready to assist you wherever it can in this task which is one of the most important the EU will be facing over the coming years.

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