

8 July 2004

**CLIMATE CHANGE:
REVISED EU STRATEGY INDISPENSABLE**

At a press conference today, the President of UNICE Dr Jürgen Strube and Mr Fabrizio d'Adda, Chairman of the UNICE Industrial Affairs Committee, explained that EU policy for unilateral implementation of the Kyoto Protocol leads to a dead end, both environmentally and economically, and deflects attention from the urgent need to give thought to drawing up a new Protocol capable of initiating genuinely global action. The USA's refusal to ratify the Kyoto Protocol and the absence of any decision from Russia, leads to an urgent need to reconsider the EU's planned strategy until 2012 and beyond. Unilateral pursuit of the EU's current policy would significantly widen the already large gap between American and European growth rates, and would deal a hard blow to the competitiveness of European companies. This would be deplorable, because competitiveness is key for continuing the high energy performance of European industry and European products compared with the rest of the world.

"Unilateral action by the EU in order to achieve the Kyoto objectives could reduce global emissions of greenhouse gases by no more than 1% to the horizon of 2012. If Russia and the USA do not ratify the Kyoto Protocol, a new Protocol will be indispensable, ensuring that an efficient global cooperation starts at the latest in 2013. This also explains the need to reassess the European strategy based on the Kyoto model" said Dr Strube.

The absence of global commitment to tackle the global climate change would reduce the resources available to European companies to develop new environmental technologies and to invest for their dissemination, and would prompt a relocation of industries to countries whose infrastructures have a weaker environmental and energy performance than in Europe.

"The discussion on climate scheduled for the 2005 spring summit must be genuinely strategic in character, reflecting what is at stake for economy and environment" said Dr Strube.

Mr d'Adda presented the UNICE action plan recommended to the EU institutions:

1. examination of all the EU policies concerned for the period 2008-2012 (emissions trading, energy, transport, etc.) in order to estimate their impact on European competitiveness in the case of no ratification by US or Russia
2. discussion of a revised EU climate strategy at the European 2005 Spring Summit on the basis of detailed impact assessments;
3. work on a post-Kyoto regime involving the tangible participation of all countries, including China and India;
4. no unilateral setting of Kyoto-style EU quantitative objectives for the post-2012 period.

UNICE's detailed opinion on the website <http://www.unice.org/>.

Note to the editor:

UNICE represents more than 16 million small, medium and large companies. Active in European affairs since 1958, UNICE's members are 36 central industrial and employers federations from 29 countries, working together to achieve growth and competitiveness in Europe