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State Secretary for Climate Change  
Ministerio de Medio Ambiente y Medio Rural y Marino  
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15 January 2010

Dear State Secretary,

As you will be discussing climate policy with your colleagues at this week's informal Environment Council in Seville, European business would like to convey its first assessment of the Copenhagen climate conference and the implications we see for EU policy.

BUSINESSEUROPE was disappointed by the limited outcome of the Copenhagen conference. The "Copenhagen Accord" as well as the national commitments likely to be attached to it look at this stage insufficient to tackle the climate challenge globally, and do not brighten the prospect for a level-playing field for European industry. European companies will continue to face competitive distortion at international level.

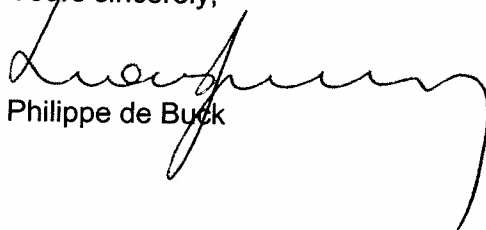
European business is serious about its commitment to develop new low-carbon technologies – but without the certainty that clear, ambitious and equal targets provide, we risk undermining this investment. The EU's conditional commitment to move from 20% to 30% emission reduction has so far not triggered meaningful further commitments from other parties.

Against that background, we call on the EU not to further increase the 20% emission target until we are clear that other major economies have made more substantial and binding commitments. The EU should work with international partners to ensure pledges to the Copenhagen Accord are as strong as possible, and to fully analyse these pledges once they are appended. The EU must also re-evaluate its own strategy on climate change through providing better opportunities for European business to be world leaders in environmental technologies.



The disappointing outcome of Copenhagen further emphasises the need for the EU to implement the revised Emission Trading Scheme Directive in a way that it effectively prevents carbon leakage. In particular the definition of sectoral benchmarks and other rules for allocation of allowances has to be carried out in a perspective to genuinely protect the competitiveness of the concerned industries. It must not result in the exemption from auctioning being compensated by the introduction of overambitious technical benchmarks generating high costs for reaching the environmental objectives of the revised ETS directive.

Yours sincerely,



Philippe de Buck