

21 January 2010

To: President of the European Council, Mr. Herman Van Rompuy
To: President of the European Commission, Mr. Jose Manuel Barroso
To: President of the European Parliament, Mr. Jerzy Buzek

Dear Sirs,

The ACEI (Alliance for a Competitive European Industry) regroups 11 major European branch organisations and BUSINESSEUROPE, expressing the voice of European manufacturing companies employing 23 million people, generating €5 trillion yearly, and contributing with €1.3 trillion added value to the EU GDP. We aim at maintaining our production operations in Europe and our competitive position in the global market.

Ahead of the 11 February European Council, the ACEI calls on you to support its position for the next steps following the Copenhagen climate change accord.

1. The Copenhagen climate change conference failed to achieve a consensus for a comprehensive international agreement to combat the risks of climate change. European Industry shares the ambition of the European Union to have an international agreement which will result in meaningful emissions reductions worldwide and which will establish comparable binding emissions targets and create a level playing field for international industries.
2. The European Union has taken the leadership role in climate change and has adopted the ambitious unilateral target of a -20% reduction of emissions of greenhouse gases by 2020 based on 1990 levels. The European Council of 10/11 December 2009 reiterated the EU's conditions to move from -20% to -30%. These are *“that other developed countries commit themselves to comparable emission reductions and that developing countries contribute adequately according to their responsibilities and respective capabilities”*. These conditions have so far clearly neither been met by the principal emitters of the *‘other developed countries’* nor by *‘developing countries’*.
3. Copenhagen has demonstrated that, whilst other countries are willing to take action to tackle climate change, they are not willing to take comparable or equivalent actions to those proposed by the European Union. It is, therefore, evident that any increase in the European Union's proposed target will not have any impact on the decision of other countries to reduce their own emissions.
4. **We therefore call on the EU to stick to the 20% emission reduction target. No further unilateral commitments should be made until it is certain that other major economies have also made substantial and binding commitments.**
5. To prevent carbon leakage it is vital that existing legislation is implemented properly. For the EU Emissions Trading Scheme, this implies the allocation of emission allowances based on appropriate methodologies.
6. At an international level the EU should focus on building alliances for a comprehensive global agreement on climate change. Countries receiving financial support for climate change adaptation and mitigation measures should agree with international monitoring and control of their greenhouse gas emissions.
7. As part of its climate change strategy, the EU should encourage investment in technologies that would contribute to growth in production and jobs in Europe. A revised EU strategy on climate change should focus in providing opportunities for European businesses to be world leaders in environmentally sound technologies developed in Europe and marketed globally, for example by:

- a) developing breakthrough technologies and markets for carbon intensive processes and products which can be applied worldwide, leading to major global emission reductions. In order to deliver this technological leadership, a significant increase of financial support in R&D, pilot and demonstration projects within the EU is needed.
- b) encouraging private consumers, industry and the public sector to take up energy efficiency solutions using already existing advanced technologies, through ensuring more innovation-friendly market framework conditions, fiscal incentives and regulatory approaches.

The European automobile, chemical, cement, pulp and paper, textile and apparel, electricity, iron and steel, non-ferrous metal, oil refining and engineering industries, along with **BUSINESSEUROPE**¹, are committed to support the EU climate change goals, and firmly believe that we can further deliver under the right conditions set out above.

Yours sincerely



Ms. Teresa Presas
Chairperson



Mr. Philippe de Buck
Co-Chairman



Adrian Harris
Vice-Chairman

¹ CIAA (Confederation of the Food and Drink Industries of the European Union) is not a signatory of this letter.