

THE DIRECTOR GENERAL

Paul Magnette
President of the EU Energy Council
Minister for Climate and Energy
Rue Brederode, 9
1000 Bruxelles

30 November 2010

Dear President,

On 3 December 2010 the EU Energy Council will discuss, among other topics, the European Commission Communication "Energy 2020 – a strategy for competitive, sustainable and secure energy" which was published on 10 November.

BUSINESSEUROPE welcomes the new Energy Strategy in principle. Our position on integrated EU climate and energy policies, which you will find attached to this letter, calls for the same action points as the Commission Communication in many areas.

We urge, however, for one specific issue in particular: more attention should be given to the global energy competitiveness of European industry. Energy prices in Europe are higher than in many of our major economic partner countries, thus weakening overall competitiveness especially of European energy-intensive industry. Unfortunately the Communication lacks a reference to any concrete measures on how to protect industrial energy consumers from negative effects of energy price hikes for their competitiveness.

BUSINESSEUROPE is calling on EU institutions for concrete actions to analyse and address the effects of the cumulative cost of all energy and climate policies on industry, in particular of renewable energy support and of the EU Emission Trading Scheme. There is a real risk of carbon leakage caused by these costs.

Such actions would be in line with the recently published Industrial Policy communication, which calls for a full evaluation of the cumulative impact of legislation on industrial competiveness.

We thank you in advance for the consideration you might give to our concerns in your conclusions of the Council meeting.

Yours sincerely,

Philippe de Buck