



Mr Miguel Arias Cañete
Commissioner for Climate Action and Energy
European Commission
Rue de la Loi 200
BE-1049 Brussels
BELGIUM

29 February 2016

Dear Commissioner,

BUSINESSEUROPE views on the impact of the Paris agreement on the 2030 framework for climate and energy policies

In view of the European Commission's assessment of the Paris agreement, I would like to share with you the views of the European business community on its impact on the EU 2030 framework for climate and energy policies.

The Paris agreement is a major step forward in global efforts to reduce greenhouse gas emissions and a great achievement. It is an essential *first* priority that the agreement is ratified and a *second* priority that all countries fully deliver on their pledges. The agreement contains several legally-binding provisions that are fundamental to improving trust between countries undertaking mitigation actions. These provisions must be used at their full potential for other major economies to catch up, as quickly as possible, with the EU's high level of ambition.

BUSINESSEUROPE, together with all our national member federations and the millions of companies they represent, will remain active in supporting the EU's diplomatic efforts to ensure a full-scale implementation of the agreement. This includes continued advocacy on the developments of carbon market mechanisms across the world.

It is also important to have in mind that the agreement does not solve the issue of competitiveness for our industries operating in highly competitive global markets. While other major economies have indicated their intention to accelerate efforts to reduce emissions, the EU is by far the most ambitious even among the developed countries. Furthermore, it remains to be seen whether and how our major competitors will impose carbon costs and emissions reductions on their industries which are exposed to international competition.

Against this background, the priority for the EU must be to adopt, as quickly as possible, a legislative framework for post-2020, in line with the October 2014 European Council conclusions, i.e. 40% reduction of greenhouse gas emissions as a binding target and 27% share of renewable energy and 27% improvement of energy efficiency as indicative targets.



Therefore, we call on you to refrain from re-opening the political debate on those targets, which represent the most ambitious climate action efforts across the planet. This is crucial to avoid undermining long-term investment security for European industries. The priority for the upcoming years, in particular with the five-year review cycle agreed in Paris, is that other major economies embark on mitigation actions comparable to those of the EU as climate change is a global challenge that requires global action.

We count on you to provide this necessary clarity and stability to European business and to enable it to continue investing in measures that will both protect the environment and provide economic growth and development in the European Union.

Yours sincerely,

Markus J. Beyrer

Cc: **Jyrki Katainen**, Vice-President for Jobs, Growth, Investment and Competitiveness, **Maroš Šefčovič**, Vice-President in charge of the Energy Union, **Elżbieta Bieńkowska**, Commissioner for Internal Market, Industry, Entrepreneurship, SMEs and Space