
ECEG & industriAll European Trade Union

Joint declaration on the European Commission's Green Paper

'A 2030 framework for climate and energy policies'

The European Chemical Employers Group (ECEG) and industriAll European Trade Union welcome the consultation launched by the European Commission with a view to drafting a future 2030 framework for climate and energy policies, as it constitutes an opportunity to redefine the means needed to meet the goals of the horizon 2020 framework.

We firmly believe that climate and energy policy require a global approach that reconciles climate change mitigation objectives with the need for competitiveness of the European industry and security of energy supply at affordable prices.

The European Union has finally committed to strengthening its industrial base by increasing the overall GDP share of industry from 15 to 20%. Economically speaking the European chemical sector plays a significant role: it manufactures 20% of goods distributed throughout the world, it employs 1.2 million people and it contributes approximately €500 billion to the European Union's economy.

Due to the fact that energy costs can be in excess of 50% of production costs the chemical industry must be able to rely on an unfailing and affordable energy supply, not least in order to maintain jobs and economic growth. The EU's industrial growth objectives require an adaptation of climate and energy policies to ensure they become the driving force behind industrial growth in times marred by unprecedented unemployment rates and increasing industrial competition from emerging countries, China, and the United States.

Support for the emissions trading scheme as a key component of climate and energy policy in the EU

Chemical industry companies are doubling their efforts to optimize the efficiency of their production systems but they increasingly face rising energy costs that are considerably higher than those in competing regions like Asia or the United States. As a consequence ECEG and industriAll Europe are in favour of a pragmatic approach to climate and energy issues that focuses on CO2 reduction commitments for 2030 based on an international agreement that would apply proportionally to industry across the globe.

This specific objective should be at the heart of Europe's transition to a more sustainable economy and should involve all stakeholders with commitments on the reduction, appraisal, control and reporting of greenhouse gas emissions. It is by means of policies that guarantee a global level playing field for European companies that Europe's expanding chemical industry will potentially be able to reduce its greenhouse gas emissions by 15% by 2030 compared to 2010.

We believe that the EU's trading system for emissions quotas must be maintained as a key long-term driver for the reduction of CO₂ emissions generated by industry and other parties to the scheme. However the scheme must be adapted to take better account of the various constraints, including financial, faced by industry and companies (namely SMEs and SMIs) as well as to facilitate the cost-efficient reduction of CO₂ emissions. The emissions trading scheme should also be reliable, predictable, fair and consistent.

Climate and energy policy, competitiveness and the European single market for energy

ECEG and industriAll Europe concur with the view of the European Commission that the share of renewables must be increased while maintaining Europe's industrial competitiveness. When promoting technology, a pragmatic approach is necessary. Assessing a range of possible scenarios and exploring various alternatives to achieve potential cost reductions would indeed be of great benefit.

Europe's future energy mix will include a diverse range of energy sources. The responsibility to determine the energy mix at national level remains with the EU member states. We believe that all available energy sources must be considered in the interest of further diversification of said mix. According to the International Energy Agency Carbon Capture and Storage (CCS) for example holds great potential.

It should also be noted that some policies have resulted in considerably higher energy prices. ECEG and industriAll Europe therefore think that an approach with a clear focus on the good functioning of the single market for energy could generate renewable energy policies that are more balanced, cost-efficient, and just. The completion of the single market for energy must be a priority. This requires effective and consistent implementation of the Third Energy Package for gas and electricity markets in all EU member states. A single market for energy is the right way to achieve a more efficient gas and electricity market which can support the development of a competitive renewables market leading to cost-efficient technology.

Research and innovation are key for the EU to be able to reconcile its climate and energy policy objectives with its economic growth and competitiveness targets

ECEG and industriAll Europe are in favour of more voluntary-based research and innovation policies that focus on the promotion of low-carbon technologies.

Europe also needs reliable network infrastructure to guarantee the security of its energy supply. To this end investments must be made to upgrade and expand distribution networks and energy storage facilities.

Moreover, our industry can only be competitive with a highly skilled and qualified workforce. Training and education therefore also require investment to ensure a just transition and the best possible skilling for European industrial workers to handle new technologies.

In a context defined by numerous challenges the European Union must strike the right balance between ambitious climate policy efforts, energy supply security and targets for economic growth and job creation. With balanced climate and innovation policies the EU can be both the forerunner in the reduction of greenhouse gases and boost the technological competitiveness of companies in the EU which will lead to the creation of new jobs. ECEG and industriAll Europe firmly believe that the European chemical industry has an important role to play in this context. It is certainly able to contribute substantially to Europe's economic, environmental and social progress, not least thanks to the sector's effective and successful social partnership system.

Brussels, 6 December 2013.