



EUROPEAN CHEMICAL INDUSTRY COUNCIL

# NEWS RELEASE

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## European chemical industry supports more coherent EU energy policy but calls for more effective global approach to climate change

**Brussels 10 January 2007** - The European Chemical Industry Council, Cefic, welcomes important proposals of the European Commission energy package published today with the aim of creating a more coherent energy policy for the 27 Member States. Cefic calls on the European Union to seize this opportunity to pursue a much better globally co-ordinated approach to climate policy beyond 2012. Cefic also proposes working with European industry sectors to ensure a realistic share of renewables and biofuels in the energy mix.

Among initiatives presented in the energy package, Cefic supports the measures proposed to achieve truly competitive energy, the emphasis on energy efficiency and on security of supply, and the proposal for a European Strategic Energy Technology Plan in 2007. This Technology Plan is intended to speed development of low-emission technologies including carbon capture and storage and second-generation biofuels, in which the chemical industry has a crucial role to play. "Our products, processes and research capabilities are key to helping conserve energy, delivering energy more efficiently, developing renewable resources and reducing greenhouse gas emissions", says Cefic Director General Alain Perroy.

However, the many good proposals to build an effective European Energy Policy are countered by the Commission's proposal for further unilateral CO<sub>2</sub> reduction targets by 2020 <sup>(1)</sup>. The European chemical industry strongly supports the need to combat climate change through an impressive achievement in increasing its energy efficiency and reducing its CO<sub>2</sub> emissions <sup>(2)</sup>. However, it believes further strong CO<sub>2</sub> reduction targets that have not been adopted by other major emitting nations will weaken the European industry's competitiveness within the global business environment without achieving effective environmental benefits.

"It has been recognised that EU leadership is not effective in achieving the environmental objective of curbing global greenhouse gas emissions - and thus limiting the global atmospheric increase to 2°C - unless the European Union has followers among the world's biggest emitting regions", says Alain Perroy. Cefic therefore calls on the EU to strive for an agreement among the world's biggest emitting countries and regions to combat climate change beyond 2012.

"I believe we can be more creative in finding effective and workable policies well beyond the EU borders while avoiding the cumbersome UN process. In particular, with the growing interest in climate change in other regions of the world, it is vital we use this opportunity to work together with our major partners. We see a huge potential for a better energy policy in Europe that can also support EU's environmental goals. However, a sustainable energy policy must be built on three pillars, namely the economic, the social and the environmental ones", adds Perroy. Cefic is somewhat surprised that major recommendations by the High Level Group on Competitiveness, Energy and the Environment – i.e. safeguarding the EU industry competitiveness – were not taken into account.

Cefic is offering expertise and constructive input in important fields such as energy markets liberalisation and the EU Emissions Trading Scheme (ETS) revision process during the first half of 2007. Until the ETS and the energy markets work properly, Cefic calls for clear and robust transitional provisions for energy-intensive industries.

<sup>(1)</sup> The European Commission proposes 20% reduction of EU greenhouse gas emissions by 2020 in case there is no international agreement and 30% in case of agreement with developed countries

<sup>(2)</sup> Although overall chemicals production in Europe has increased by more than 50% since 1990, emissions of greenhouse gases have been decreased by more than 20%

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