

Comments on the “Strategy for long-term EU greenhouse gas emissions reductions”

A. Context

Holistic approach is very important, because we must make sure that the measures implemented in emissions reduction are cost-efficient.

“EU action should take place in a changing global framework to ensure unified action on climate change and a stable, rules based global order.”

EU cannot act alone. Problem of climate change is global and that’s why the actions must be unified at global level. We also need rules based global order to prevent free-riders and distortions in global trade. This is particularly important for European energy intensive industries that are losing global market shares because of the EU unilateral emission trading system. We should promote global carbon pricing and introduce sanctions against carbon dumping by developing the WTO rules of fair trade.

“Actions towards decarbonization will provide opportunities for reindustrializing Europe and strengthening Europe’s global competitiveness.”

This is true only, if the other major economies, i.e. G20, fulfil their pledges in accordance with the Paris Agreement. If EU is left alone with ambitious climate actions, then the result for competitiveness of European industries is destructive. Taking into account the small share of EU greenhouse gas emissions of the global emissions, the unilateral action has little significance in preventing climate change.

Problem the initiative aims to tackle

According to Paris Agreement, the first evaluation of the common efforts to reduce greenhouse gas emission shall take place in 2023. Already now it is clear that further measures are needed for the time after 2030. Next steps should be agreed in the context of necessary reductions by developed countries as a group at the same time with the first evaluation in 2023.

The goal for the Climate Agreement revision process should be set towards a global economy that will no longer increase greenhouse gas concentration in the second half of the century. The EU’s new long term strategy should describe pathways with various options for decarbonization and their implications.

The EU's new long term strategy will refer to the transitions across many sectors of the economies and of all Member States. In order to maintain cost-effectiveness, it is obvious that considerations are better performed at EU level.

B. What does the initiative aim to achieve and how

The most important challenges are:

- reindustrializing Europe through digital, circular and low carbon innovation, automation and clean mobility*
- free, fair and sustainable global competition for markets, trade and investments.*

Reindustrialisation and global technological low carbon leadership is only possible, when there is a global level playing field for European industries to be competitive. Only rules based global economy can prevent carbon leakage and investment leakage from Europe and this is why the EU should strengthen the status of WTO and support the work done to pursue free trade and fair trade rules.

"The starting point for the analysis is the policy measures that form the 2030 Climate and Energy Framework."

The targets of 2030 framework have finally been adopted. By 2030, the EU shall reduce greenhouse gas emissions by at least 40 %, increase the share of renewables to 32 % and improve energy efficiency by 32,5 %. Now it is important to concentrate on implementing this policy according to Energy Union principles. For the sake of credibility, new targets for 2030 must not be considered. The right moment for raising the level of ambition of EU climate policy is in 2023, when progress of the Paris Climate Agreement is evaluated. If the major parties of the Agreement, i.e. G20, have made satisfactory progress in reducing greenhouse gas emissions in accordance with their nationally determined indicative contributions, then it is time for the EU to set the next reduction target for the year 2040.

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