

European Commission  
Directorate-General Climate Action  
Unit B.1 – Implementation of ETS  
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## **RESPONSE TO THE COMMISSION CONSULTATION ON STRUCTURAL OPTIONS TO STRENGTHEN THE EU EMISSIONS TRADING SYSTEM**

### **Information of the respondent**

The EU Transparency Register Identification number of the Federation of Finnish Technology Industries is 39705603497-38.

The Technology Industry is comprised of five sub-sectors:

- Metals Industry
- Mechanical Engineering
- Electronics and Electro-technical Industry
- Information Technology
- Consulting Engineering

The Technology Industry represents:

- The Federation of Finnish Technology Industries has some 1 600 member companies.
- 60% of total Finnish exports.
- 80% of private-sector R&D investment.
- Some 290,000 employed directly in the sector, 725,000 employed in total, equalling about 30% of the entire Finnish labour force.
- The Federation of Finnish Technology Industries has some 1,600 member companies.

The respondent agrees that the response to the consultation is published along with other responses.

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## Response to the consultation

The Commission launched a consultation for stakeholders and experts in the field of the European carbon market to comment on the structural options and views reflected in the report "The state of the European carbon market in 2012". In the report, the Commission proposes six options for structural measures.

The Federation of Finnish Technology Industries supports the ETS as a tool for the climate policy to achieve the agreed CO<sub>2</sub> emission reduction targets. The current reduced demand for emission allowances and thus the current carbon price is a result of the economic downturn, i.e. the carbon market is functioning. The ETS is already delivering the expected results: The ETS sector is achieving the CO<sub>2</sub> emission reduction target by 2020 in a cost-effective way. The EU ETS is a market-based mechanism and the markets should not be politically manipulated.

The six options should not be applied for the third ETS period 2013 - 2020. European industry is already having major challenges because of the economic downturn. Industry needs predictability and a long term climate and industrial policy to ensure a stable operating environment which again strengthens the global competitiveness of the European industry. Proposed six options would have an adverse effect and thus inhibit growth and the recovery of the downturn. Regarding CO<sub>2</sub> emission reduction targets, EU should start an active and open discussion on post 2020 targets with relevant in-depth analysis and stakeholder consultations.

The Federation of Finnish Technology Industries:

- Opposes to changes of the already agreed rules of the EU ETS 2013 - 2020 at this late stage.
- Calls for long-term climate and industrial policy to ensure a stable operating environment.
- Sees that no increase in the CO<sub>2</sub> emission reduction targets of the EU for 2020 should be done unilaterally. The focus of the climate policy post 2020 targets should take into account the developments of the international climate policy.