

14 January 2014

Dear Commissioner,

We the signatories contact you in view of the upcoming proposals by the European Commission on the 2030 energy and climate change framework. As industry and employer federations from Central and Eastern Europe (CEE), we support the Commission's efforts to elaborate timely a new EU energy and climate change framework for the sake of long-term investment security. However, we would like to address some crucial concerns in this regard, as this question is key for European industry.

We believe a fundamental re-orientation of Europe's energy and climate change policy is urgently needed, drawing lessons from earlier mistakes while responding to new challenges. Compared to other industrialised regions European industry already faces decisively higher regulatory and energy cost-related burdens (gas and power industry prices are two to three-fold compared to the US). We witness an "**investment leakage**" trend, with new investments in energy intensive sectors increasingly taking place outside Europe. According to estimations by the international energy agency (IEA), European energy intensive industries will lose ten percentage points of their global market share by 2035 (IEA WEO 2013).

There is an evident risk that Europe repeats its mistake of unilaterally adopting overly ambitious climate targets, which are not in line with technological potentials and competitiveness of European companies. **We reject a unilateral commitment by the EU for greenhouse gas (GHG) reductions in the range of 40 percent till 2030** (derived as an intermediate target from the 2050 Low Carbon Roadmap). We clearly lack a global level playing field as other industrialised regions have not committed themselves to similar efforts yet. Since the EU represents only ten percent of global GHG emissions (with a further decline of this proportion), such a unilateral approach would be ineffective to combat global climate change and utterly contradicts with the Commission's goal of reindustrialising Europe.

From the view of industries from Central and Eastern Europe a unilateral EU 2030 GHG target must be clearly below a 40 percent level and should only be adopted after a comprehensive UN climate change agreement has been reached in 2015. Mitigation efforts must depend on the outcome of the UN climate change process or comparable and tangible global efforts.

We trust in your support and thank you for taking our concerns on board when deciding on this fundamental issue for European industry.

Yours faithfully,



Christoph Neumayer, Director General
IV - Federation of Austrian Industries



Davor Majetic, Director General
HUP - Croatian Employers' Association



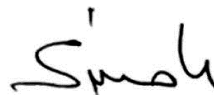
Stanislav Kázecký, Vice-President for
Foreign and EU Affairs
SPCR - Confederation of Industry of the
Czech Republic



István Wimmer, Secretary General
MGYOSZ - Confederation of Hungarian
Employers and Industrialists



Peter Molnar, Secretary General
RUZ - National Union of Employers of
Slovakia



Jože Smole, Secretary General
ZDS - Employers' Association of Slovenia

****This letter has been sent in to copy to Vice-President Šefčovič as well as Commissioners Oettinger, Hahn, Mimica, Füle, Andor and Potočník.***