



Public consultation on a Strategy for long-term EU greenhouse gas emissions reductions - response of Finnish Industries

Confederation of Finnish Industries EK appreciates a possibility to deliver views of Finnish businesses for preparation of the strategy for EU long-term greenhouse gas reductions.

The climate change is a huge global challenge in every level of societies. The recently released IPCC special report had pointed out: the limitation of global warming to 1.5°C requires a balance between emissions and removals by 2050 globally.

Finnish businesses strongly support the Paris agreement and are fully committed to the implementation of necessary measures to mitigate climate change. Enterprises are in the core of this long-lasting combat by innovating, investing and offering solutions globally.

It is utmost important that the EU prepares and updates its long-term low-carbon roadmap utilizing thorough impact assessments and well-designed scenario modelling. A new strategy is needed to give a clearer picture, what this huge climate challenge demands from all parts of societies in Europe, as well households as companies.

Ambitious climate actions can be combined with high level of competitiveness of European industry, when the climate paths and measures are chosen in a clever and cost-efficient way. Industrial production in Europe is good not only for the growth and welfare but also for the environment and climate, because the average CO₂ emissions caused by electricity production in Europe (and especially in the Nordic countries) are low in global comparison.

Main aspects on well-designed long-term strategy

Confederation of Finnish Industries support the net zero target by 2050 which means that the EU should aim to balance its emissions and removals by then. The new strategy should show various considerations, how this balance could be achieved (various combinations of sinks, emission reductions in and outside Europe) and what kind of influences follows from different choices. It is clear we need to both radical reductions of emissions and the increase of carbon sinks through land-use sector as well as many technological options, like carbon capture and storage/utilization.



We have collected some views, which could help to create a functioning and flexible strategy to take into account the long reaching time frame.

- The strategy and planned measures should rely on technology neutrality, cost-efficiency, market-based approaches like EU-ETS, flexibility in measures, and in the same time it should take care of coherency, competitiveness and sustainability. Sub-optimisation in choosing measures and use of overlapping instruments should be avoided. These are the core principles for businesses and a requirement for long-term investments.
- European industry should be raised in the significant role as a solution provider globally in the new strategy. At present, there is a growing market of clean technologies and service models, but the need for smart solutions is increasing fast. This is a great opportunity for Finnish and European industry: the needed emission reductions globally can be supported in addition to reduce companies' own emissions.
- There are very large variety of businesses in Europe, and some clearly could and have been benefit on EU's ambitious energy and climate policy. For some others, the demanded investments and operational costs can be difficult to pass-through to the customers in the international competition. While promoting ambitious climate policy targets, it is essential to address these competitiveness aspects and take care of carbon leakage protection measures.
- To take into account the long time frame and the high level of emission reductions, sufficient research and innovation finance is needed in addition to operational inputs and investments. There is a need for a major low carbon development leaps in technologies and service models, but these will require long-term contributions, both public and private investments.