

Stockholm

Comments from the Confederation of Swedish Enterprise on the consultation on the ESR

The Confederation of Swedish Enterprise fully supports the objectives of the European Green Deal and we strongly support the goal of reaching net zero greenhouse gas emissions by 2050. Further, the Confederation of Swedish Enterprise is open to discuss a more ambitious 2030-target.

Since the EU wants to become a real role model in the climate transition, it is not enough to simply reduce emissions. At the same time as we reduce our emissions, we must also offer individuals and companies the opportunity to grow. An EU that restricts production and forces companies to relocate abroad risks acting as a deterrent, which is the last thing that climate change efforts need.

The Confederation of Swedish Enterprise not only supports the goal of reaching net zero greenhouse gas emissions by 2050 but we also strongly believe that all member states must reach this goal. Setting the goal at the EU-level would create a system which benefits countries that do not carry their fair share of the burden. Free riding within the EU in the fight against climate change cannot be accepted.

In light of this, we strongly believe that the effort sharing targets for member states must be shared on the basis of cost effectiveness instead of the current model. The current system which is based on GDP per capita is not cost-efficient. Further, if the EU is to reach net zero by 2050, it is high time that all member states start on a path to net zero as soon as possible within the ESR. Not increasing targets within the ESR in the most cost-effective manner possible would be a disservice to the countries which have yet to start on an ambitious path towards net zero.

Given that a large portion of the emissions in the EU is covered by the ESR and that only a minority of the member states have introduced a carbon tax, we believe that a minimum carbon tax should be introduced in all member states. Putting a price on CO₂-emissions is the most efficient way to decrease emissions and member states which have introduced a price on CO₂-emissions are currently not being rewarded for this. Doing so would also create momentum for decreasing emissions within the ESR as cost-efficient as possible. However, it is essential to underline that a new minimum carbon tax must not interfere with the EU ETS and that no double pricing of emissions must take place.

The Confederation of Swedish Enterprise would like to further emphasize that double regulation should be avoided. Aligning different EU policies is a commendable ambition. Different policy areas influence each other and to reach an efficient development in line with

the Green Deal, the combination of regulatory measures need to be complementary. At the same time, it is important that different pieces of legislation do not overlap with each other.