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Confederation of Swedish Enterprise on the European Climate Law

The European Parliament has set out its position ahead of the forthcoming negotiations with the Council on the new EU climate law. Parliament's decision demands a sharp increase in ambition by 2030; from the current target of a 40 percent reduction in emissions, it now instead wishes to see a reduction by 60 percent. Below are the Confederation of Swedish Enterprise's views on the Parliament's decision to call for a revised target for emission reduction to 60 percent by 2030.

The Confederation of Swedish Enterprise views welcomes the discussion on tightening of the 2030 target. However, it is important that the proposals are actually implemented. What is required now is that our companies are given the opportunity to invest, and that the obstacles to change are removed. From a Swedish perspective, this means - for example - that approval processes must be accelerated and that access to basic needs, such as electricity, is ensured.

In addition, the Confederation fully supports the Swedish climate goals; we are pushing for the whole of the EU to have zero net emissions by 2050. However, for that to happen, we must have the right conditions and recognise that competitiveness is crucial.

It is companies, not Member States, which have to make the investments required for us to be able to achieve this switch; unprofitable companies will face a hard time in investing. Furthermore, Swedish and European production is already generally climate efficient; thus if European production is replaced by dirtier production, little will be gained. Therefore, it is important that any stronger target by 2030 is implemented in a way which strengthens European businesses competitiveness.

The industry is already carrying a large part of the burden through emissions trading; if we are to be able to reach net zero by 2050, it is high time that all sectors - and for that matter Member States – take an increased share of the responsibility. The road to a climate-neutral EU 2050 will not be straightforward, as it will take time and technological leaps to be able to reduce emissions.

It is positive that the European Parliament also wants the 2050 target to apply to each individual Member State. In practice, any alternative approach poses the risk that those countries that do not switch will ultimately benefit from those that do. This will happen despite them failing to contribute themselves.

If the EU is to become a real role model in climate work, 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 it to relocate abroad is one that risks acting as a deterrent, which is the last thing that climate change efforts need.

Removing obstacles to preventing climate change is important; it should be made a priority. It is not simply a matter of ensuring that there is a generally well-functioning bureaucracy that does not hinder companies' climate work, but also ensuring that the tools necessary in climate work are not unduly opposed. For example, although electrification will play a crucial role in addressing climate, we know that biofuels - not least from Swedish forests - will be an important piece of the solution during the transition. It is therefore important that the EU does not create obstacles to this.