

To:

Ms Ursula von der Leyen

President of the European Commission

Brussels, 17th October 2024

Dear Madam President,

We want to draw your attention to the current situation in the EU Member States. Energy prices are rising, among others also due to a failed EU Emission trading system (EU ETS). This fundamentally jeopardizes the competitiveness of EU-based industry to the benefit of third countries such as China and the United States. European industry stagnates whereas the rest of the world benefits from cheaper production while it generates more emissions, all at the expense of citizens and industries in the EU Member States. As a result, the EU loses twice: EU Member States are losing competitiveness, whereas global greenhouse gas emissions are not decreasing.

To address the situation, people and businesses across Europe want to modify the so-called “Green Deal”, including the EU ETS. The EU ETS was created in 2005 and is mainly based on the revised ETS Directive (EU) 2023/959 from 10 May 2023, amending the Directive 2003/87/EC and the decision (EU) 2015/1814.

The revised ETS Directive was adopted to contribute to reach the goals of the Paris Agreement and the EU Climate Law. Therefore, it has been decided to reduce the number of emission allowances, allocate fewer free allowances, extend the ETS to maritime transport, and establish a separate new “ETS 2” for fuel distribution for road transport and buildings.

Due to the stricter ETS, energy prices have increased, and the companies have decided to relocate their industrial sites to third countries. The threat of closing the energy-intensive plants is imminent, as is the loss of jobs across EU Member States. Mr. Draghi, when presenting his report in Strasbourg plenary session in September, said that *“We have the highest energy prices: EU companies face electricity prices that are 2-3 times higher than those in the United States and in China. At the same time, gas retail and wholesale prices are currently between 3-5 times higher than those in the United States.”*

Moreover, the new regulation “Carbon Border Adjustment Mechanism” CBAM, (EU) 2023/956, from 23 May 2023, has been designed to protect EU-industry by avoiding cheap imports produced with high emissions. However, CBAM turns out to be a bureaucratic monster instead, the cost of which will be reflected, in many cases, in the final price for Europeans.

Therefore, we call on you, Madam President:

- To immediately bring forward suggestions for amendments or a revision of the current ETS Directive to fix the price of emission allowances in the long term at 30 EUR per allowance;
- To repeal the extension of the ETS to fuel distribution for road transport and buildings (ETS 2) in order to protect families who heat their own homes and drive their own cars;
- To put forward an emergency programme for energy-intensive industries, based on the idea of technology neutrality;
- To have an open dialogue with the partners to establish a well-functioning global ETS to ensure level playing field for EU-based industry with competitors from third countries, and make the bureaucratic and barely implementable CBAM regulation obsolete.

We are confident that the Commission will deal with this urgent matter of utmost importance without any delay and look forward to your reply.

Yours sincerely

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