

Dialogue with Energy Intensive Industries
Informal high-level brainstorming with energy-intensive industries
8 June 2018, 8h30-10h00, BERL, 13th floor, Salon 2

Speaking points for Commissioner Miguel Arias Cañete opening statement

- Dear industrial leaders, dear colleagues

 - Let me first of all thank you for having accepted our invitation to this brainstorming breakfast.
- 1) **Industrial competitiveness** is at the heart of the economy and **energy plays a key role** in the competitiveness of energy-intensive industries. Therefore I would like to discuss with you today the two aspects: on the one hand (1) the new opportunities for competitiveness resulting from decarbonisation, based on efficiency innovation and on the other hand (2) the need for a strong industrial base in Europe to make the energy transition happen through equipment and high-quality products.
- 2) Europe starts from a position of strength. **Economic growth is decoupled from energy consumption** and from greenhouse gas emissions. We have the Energy Union framework; we are on track to achieve the 2020 targets and are close to finalising the agreement on the targets for 2030.
- Today we know the largest share of emissions reduction will be achieved through electrification, with a strong contribution from renewable energies, and energy efficiency.

- The industrial sector has achieved impressive emissions reduction. GHG emission from energy intensive industries have decreased by more than 30% compared to 1990 levels.
- Energy intensity decreased significantly in most of them e.g. by 30% in the chemical industries and by 16% in the steel industry between 2000 and 2015. In the years 1990-2010, innovation in the steel sector led to a 25% cut in CO2 emissions, exceeding the economy-wide GHG reduction of 17%.
- According to our analysis, in the long term, industry will decarbonise at a similar rate as the rest of the economy.
- We expect the value added of the industrial sector in the EU to keep increasing until 2050. As the industrial sector continues to expand, energy intensity will further decrease. In 2050, it will take half the energy needed - compared to the year 2000 - to produce the same value added. On the other and, **industry will use almost one quarter more electricity** in 2050 compared to 2000.

3) At the same time, in order to achieve the clean energy transition, we need **a strong industrial base in Europe**. The Clean energy transition is a new industrial opportunity:

- According to our estimates, at EU-level, it is estimated that €379 bn investment will be needed annually for the period 2020-2030 to achieve the European Energy and Climate targets for 2030. This will lead to an increase of GDP by approximately 1% and create almost 1 million new jobs.

- With the Clean Energy for All Europeans package we put on the table the most advanced regulatory framework to enable these investments.
- In many fields the EU is already a clear leader. But we are not the only one with the ambition to lead the development of clean and are fully aware that the competition will be fierce.

4) Looking at the **longer term**, as you know, the Commission has been invited by the Council to prepare a Proposal for a Long-Term Decarbonisation Strategy, an important step in the implementation of the Paris Agreement. We are preparing to put this strategy on the table ahead of the next, 24th, Conference of Parties in Katowice.

- In this context, I am pleased to exchange views and ideas with you during today's breakfast.
- [I'm aware you have already started discussing your vision for the Long-Term Decarbonisation together with the services of the Commission (notably through the work of the High Level Expert Group on Energy Intensive Industries).]
- Regarding the consultative process to develop the Long-Term Strategy, a **public consultation** will soon be launched and a **High-Level Event** will be organised in Brussels on **10-11 July**.