MANUFACTURING INDUSTRY SUPPORT

is essential in combating global warming

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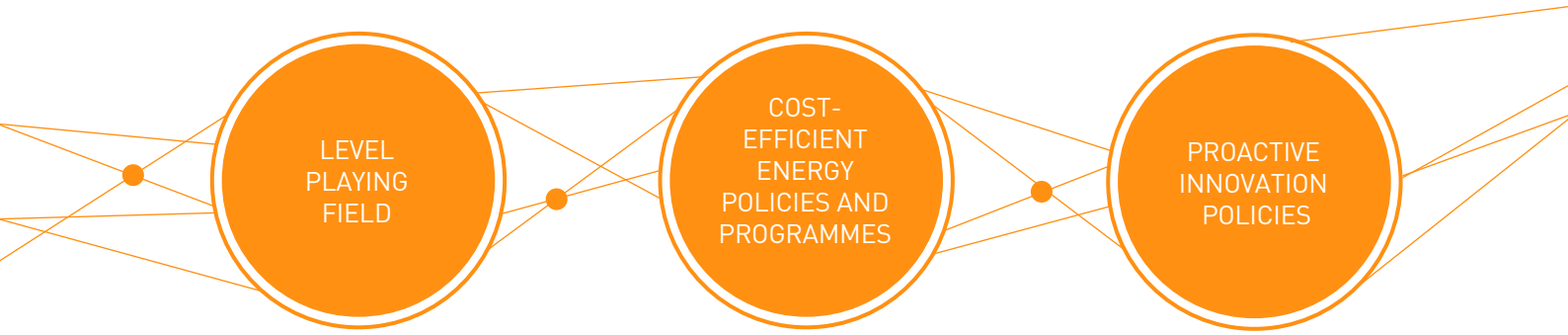
SUMMARY

COP 21 marks a decisive milestone to Combat Global Warming effectively. Manufacturing industry offers its support for any productive measures, provided that there is a policy framework in place that ensures a level playing field between industries from all major countries, and cost-effective policies that enable the development of the needed technological innovations.

Without a level playing field, industrial GHG leakage will occur, shifting jobs and GHG emissions to countries not committed to reduce their GHG, achieving nothing environmentally. This has already occurred in some OECD countries.

Since it is an essential player to develop innovative technological solutions for Combating Global Warming, a healthy manufacturing industry needs to be actively supported rather than constrained: it should be supported by policies that ensure:



- A level climate cost burden in the major globally competing countries, including OECD and BRIC countries;
- Comparable growth perspectives in globally competing countries;
- Reduction of GHG emissions across all sectors in the most cost efficient way.
- Recognition of the balance between benefits for environment, economy, and security of supply;
- Special emphasis on policies that enable industrial investments into modernization and into state of the art technologies.
- A stable and predictable investment climate focussing on research and development of more energy efficient technologies;
- Policies enabling and supporting industries in modernising their installations to state of the art levels.

COMBATING GLOBAL WARMING WILL BENEFIT FROM A HEALTHY AND INNOVATIVE MANUFACTURING INDUSTRY

Industries represented by IFIEC World, where energy is a major competitiveness factor, such as basic chemicals, pulp and paper, rubber, glass, cement, steel and aluminium have higher energy demands than other manufacturing sectors, regardless of region. These industries supply the fundamental raw materials for economies and societies. Furthermore, they provide a significant number of well paid, qualified jobs and the basis to produce the new, more energy efficient materials and products needed in lower carbon and energy efficient societies.

The carbon reductions necessary to combat global warming can only be achieved with applying new, innovative technologies, not by reducing economic activity through higher energy or compliance costs. We also do not believe them to be achieved while abandoning accustomed modern life styles and behaviour.

Therefore, actively supporting these industries must be part of any related climate policy measures. Active and effective climate change policy is needed to strengthen the investment environment for these industries, as they must and will be part of any international attempt to combat global warming.

WE STRONGLY URGE THAT COUNTRIES ADDRESS THESE ISSUES IN THEIR INDCs (INTENDED NATIONALLY DETERMINED CONTRIBUTIONS) AND IN THE NEGOTIATIONS FOR A 2015 UNFCCC AGREEMENT.

SUPPORT MANUFACTURING INDUSTRIES

THREE CRITERIA ARE ESSENTIAL FOR MANUFACTURING INDUSTRY'S SUPPORT AND, THEREFORE, ALSO FOR COMBATING GLOBAL WARMING:

LEVEL PLAYING FIELD

Any international agreement to be reached at COP 21 must provide for a comparability of efforts in the major competing regions. Reduction targets alone cannot be the only criteria; the impact of burdens for manufacturing industries in global competition must be properly assessed when evaluating the comparability of efforts.

Policies must be directed towards GHG reductions in all sectors, including transport, commercial and residential. This should be done by incentivising the most cost effective measures. Policies must target global economic growth: loss of competitiveness due to imposed carbon costs must not be accepted.

This is even more evident now than in former decades with former developing countries claiming to catch-up with the OECD countries' development.

COST EFFECTIVE ENERGY PROGRAMMES

Energy is key, both for the development potential for OECD and non-OECD countries and for the global GHG reduction path. Therefore, the design of energy policies around the globe is essential. A rational balance between an ecological, economical and secure energy policy is a must.

Energy costs more and more determine the competitiveness of economies. Therefore, energy prices must be an important indicator for evaluating and choosing climate change policies.

PROACTIVE INNOVATION POLICIES

The answer to combat global warming beyond 2020 lies in technology. Research must continue into new energy efficient technologies and best available technology use needs to be accelerated by providing the environment for appropriate technology innovation around the globe.

Key for success is having access to the necessary financing; amounts at stake are significant and require both public and private resources. Such financing only happens with confidence in long established economic drivers. Policies must therefore not shift away capital from the manufacturing industries.

CONCLUSION

Combating global warming can only be done in an efficient way by innovative technological solutions developed by a healthy competing manufacturing industry. Industry needs to be actively supported by ensuring a level playing field, cost-efficient energy policies and proactive innovation policies.

ABOUT IFIEC WORLD

THESE RECOMMENDATIONS ARE FULLY SUPPORTED BY THE FOLLOWING ASSOCIATIONS OF INDUSTRIAL ENERGY CONSUMERS:

The International Federation of Industrial Energy Consumers represents energy intensive companies from all sectors, including but not limited to chemicals, metals, cement, ceramics, glass, rubber, pulp and paper, etc. In these sectors, the cost and availability of energy and power are significant factors affecting their ability to compete in world markets. IFIEC has non-governmental organisation recognition at the United Nations and has affiliated federations in Europe, North and South America.

IFIEC WORLD'S MEMBER FEDERATIONS

BRAZIL :	Associação Brasileira de Grandes Consumidores Industriais de Energia e de Consumidores Livres (ABRACE)
USA:	Industrial Energy Consumers of America (IECA)
EUROPE :	IFIEC Europe
Belgium	Federation of Belgian Industrial Energy Consumers (FEBELIEC)
Bulgaria	Bulgarian Federation of Industrial Energy Consumers (BFIEC)
Czech Republic	Sdružení velkých spot ebitel energie (SVSE)
Denmark	Foreningen for Slutbrugere af Energi (FSE)
Finland	Suomen ElFi Oy
France	Union des industries utilisatrices d'énergie (UNIDEN)
Germany	Verband der Industriellen Energie- und Kraftwirtschaft (VIK)
Greece	Hellenic Union of Industrial Consumers of Energy (UNICEN)
Hungary	Ipari Energiafogyasztók Fóruma (IEF)
Italy	Associazione Italiana Consumatori Energia de Processo (AICEP)
Netherlands	Vereniging voor Energie, Milieu en Water (VEMW)
Norway	Federation of Norwegian Industries (FNI)
Poland	Izba Energetyki Przemysłowej i Odbiorców Energii (IEPiOE)
Portugal	Portuguese Association of High Electrical Energy Consumption Industries (APIGCEE)
Spain	Asociación de Empresas con Gran Consumo de Energía (AEGE)
United Kingdom	Energy Intensive Users Group (EIUG)

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