

The EU climate target proposal stops short of a new strategic approach

Brussels 6 February 2024: The European Commission's Communication on Europe's 2040 Climate target, despite its welcomed vision to make Europe a sustainable and competitive economy, capable of attracting investments, falls short of offering a new strategic approach leading to ground-breaking policies.

FuelsEurope, the association of European manufacturers of fuels and products, acknowledges the European Commission's Communication on Europe's 2040 Climate Target and welcomes the vision of the EU as a sustainable and competitive economy, capable of attracting investments, offering quality jobs and leaving no one behind. We strongly agree that security of energy supply and resilience against future global crises are crucial to guarantee success on the journey to climate neutrality.

Liana Gouta, FuelsEurope Director General commented *"The Communication, however, stops short of offering a new strategic approach leading to ground-breaking policies. It recognises the vulnerability of our economy to disruptions in the supply chain and to the competition from other world regions that offer more favourable conditions to investors and their domestic industries. But it does not convincingly demonstrate how existing and new policies will enable the EU to retain global climate leadership while allowing the economy to thrive."*

We welcome the recognition of the critical importance of carbon removals, including CCS and CCU, and the acknowledgement that

Energy Intensive Industries need a supportive regulatory framework during the transition to clean energy. We agree that competitive EU exports to global markets and prevention of carbon leakage are objectives of the utmost importance, and that the CBAM regulation as currently designed is not sufficient. We are looking forward to a structured dialogue between Institutions and industry, leading to timely and concrete solutions.

Liana Gouta furthermore underlined: *"We disagree with the reiterated approach to decarbonisation of transport, where political choices stand in the way of competition between technological solutions. Renewable fuels, currently excluded from road transport, are not just for aviation and maritime transport: they can play a crucial role, complementary to electrification, accelerating the decarbonisation of the existing vehicle fleet at affordable cost for all citizens, as well as long-distance heavy-duty vehicles, and creating the conditions for a fast ramp up of the renewable fuels production for the benefit of aviation and maritime needs."*

The Communication rightly stresses the importance of a stronger circular economy: we believe that synthetic fuels and

sustainable biofuels embody its very principle. In this context, the use of sustainable residual biomass from agriculture, forestry or municipal waste for the production of renewable fuels and products results in the creation of new business models, new value chains and opportunities of decentralised production across Europe.

Liana Gouta stated *“In this Communication on the 2040 target, whereas it emphasises the **need for access to affordable and reliable net zero energy and mobility solutions.....for all, a true and dedicated liquid fuel strategy is once again overlooked**”, and added “We*

therefore call for the development of an EU Strategy for the Transition of Liquid Fuels and Products, to seize the potential that renewable fuels offer to enable an energy-secure, resilient, affordable and fast decarbonisation of all transport modes”.

FuelsEurope is committed to engaging in a constructive dialogue with the EU Institutions, contributing to the development of policies for the 2040 climate target and the 2050 climate neutrality.

- **ENDS** -

FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents with the EU institutions the interest of 40 companies manufacturing and distributing liquid fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

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