

Long-term strategy: press conference by Commissioner Miguel Arias Cañete

Good afternoon everyone,

In a few days, the COP24 climate conference will start in Katowice in Poland.

The European Union played a decisive role in securing the adoption of the Paris Agreement. And it will do so in Katowice as well.

It is essential that COP 24 delivers the rulebook for the Paris Agreement and takes stock of our collective efforts to meet the threat of climate change.

It is in this context that the Commission has today adopted its long-term climate strategy.

We are today kicking off a process to determine how Europe's energy and climate policy will evolve between now and 2050.

True, there are many challenges on the road. But status quo is not an option.

We have all seen – not later than this summer – that the implications of not getting climate change under control are **profound and costly**. We cannot afford the price of inaction.

In October, the IPCC special report on 1.5°C made it clear that emissions need to be reduced with far more urgency than previously anticipated and that limiting climate change to 1.5°C is necessary to reduce the likelihood of extreme weather events. This has been a **wake-up call**.

Today, we are **responding to this call**. We are presenting a **strategy that can lead to achieving climate neutrality in Europe** by 2050 through a socially fair transition and in a cost-efficient manner. The strategy does not intend to launch new policies, nor does this Commission intend to revise 2030 targets. It is meant to set the direction of travel of EU climate and energy policy and to frame what the EU considers as its long-term contribution to the objectives of the Paris Agreement.

With this plan, Europe will be the **world's first major economy** to go for net-zero emissions by 2050.

Europe already has the **world's most ambitious climate and clean energy policies**. With the new 2030 renewables and energy efficiency targets, we will cut emissions by 45% by 2030. This is the **starting point** for our long-term planning.

But without further action, we will only reach 60% reductions by 2050. This is **clearly not sufficient for the EU** to contribute to the long-term temperature goals set in the Paris Agreement.

Our strategic vision is the result of **extensive scientific and economic analysis**, as well as feedback and contributions from stakeholders and citizens. This confirms that **climate neutrality is feasible**, even with current technologies and those that are close to deployment.

This analysis builds on **eight scenarios** – modelling different technological solutions to achieve our objectives. They look at reductions ranging from -80% to net-zero emissions.

They cover all key sectors, including energy, buildings, transport, industry, agriculture, and wider use of land.

And they examine economic and employment impacts, including for regions that could be most affected by this transformation, and the implications for air pollution and other environmental and social issues.

There are **seven common building blocks** present in all scenarios:

- **First, the European energy system will need to decarbonise.** By 2050, 80% of electricity will be coming from renewable energy sources. Together with nuclear power, this will be the backbone of a carbon-free European power system. We will also see a substantial electrification of the European economy – at least a doubling of its share in final energy demand by 2050 – with electricity spreading to more uses, such as heating and transport.
- **Second, energy efficiency plays a key role.** This covers industry but maybe even more so the renovation of buildings, both for housing and for services. By 2050, energy consumption is likely to be halved.
- **Third, transport needs to contribute more.** Today, it represents a quarter of greenhouse gas emissions. This covers electrification of transport, the switch to alternative fuels – notably synthetic fuels – and better and smarter transport management.
- **Fourth, industry** has already reduced emissions but some parts, notably process-related emissions, are difficult to address. Here too, we will need to look at a different set of fuels, carbon sequestration and use.
- **Fifth, sustainable use of land** is central if the EU is to reach net-zero emissions. We will need to use more biomass – but we should ensure that the sink that forests and land constitute is maintained and possibly even enhanced.
- **Sixth, infrastructure will be essential** to facilitate the integration of European energy systems, digitalisation and the use of low-carbon fuels.
- **And seventh, carbon capture and storage**, despite its current problems, will be necessary notably to decarbonise industry.

The **conclusion of our assessment** is clear: going climate neutral is the **right choice for Europe**.

It is the right choice for our economy. It is the right choice for our society. And it is the right choice for our global impact.

- Firstly, it is the right economic choice:

- It will give businesses and investors a clear sense of direction;
- It will help stimulate new thinking, a competitive spirit and innovative, creative solutions;
- It will create new economic sectors and employment opportunities;
- It will spur investments in European clean energy solutions. Today, around 2% of GDP is invested in our energy system. This would have to increase to 2.8% in order to achieve climate neutrality – in other words additional investments in the range of 175 to 290 billion € annually.
- And overall, a trajectory towards climate neutrality is expected to have a positive impact on Europe's GDP, with benefits of up to 2% by 2050 compared to business-as-usual.

Let me put it differently. Today, Europe pays € 266 billion a year in energy imports. In a climate neutral Europe, energy imports will fall by over 70%. So the money we save (€ 2-3 trillion up to 2050) could be invested into the modernisation of our economy instead.

Second, going climate neutral will deliver what Europeans want most of all: meaningful improvements to their daily lives.

Energy-efficient homes will become the norm in a climate neutral Europe.

Transport will be clean and adapted to a modern sustainable lifestyle.

Today, air pollution in the EU causes severe diseases and almost half a million pre-mature deaths annually. Achieving a net-zero greenhouse gas emissions economy on top of existing air pollution measures will reduce pre-mature deaths caused by fine particulate matter by more than 40% and health damage by around € 200 billion per annum.

Let me make a final point: the benefits of the transition to a climate neutral economy must be enjoyed by all. This must be a **socially just transition**, with nobody left behind

Overall, the European economy will benefit from the transition. But there also some sectors for which it is a challenge. I think mainly of the mining and fossil extraction sector, but also some energy-intensive industries.

I want to reassure these sectors – and EU citizens working there – that their call is heard. The EU will take them into account, notably by reskilling and upskilling the workforce and ensure that all are ready to adapt to the new requirements of the climate neutral economy. And our EU budget, employment and cohesion policies are there to reduce economic disparities across Europe.

Ladies and gentlemen,

Today we have shown there are a number of different pathways to achieving mid-century carbon neutrality.

By being the first major economy to go for climate neutrality, Europe will be able to gain first-mover advantage – and shape the future.

The focus must not be on the whether, but on the how.

The Commission will now take the debate in an open and inclusive manner to all EU Member States, the European Parliament, national parliaments, business, NGOs, cities and communities as well as citizens at large, discussing the EU's fair contribution to the goals of the Paris Agreement and the key building blocks of this transformation.

This EU-wide debate should allow the EU to adopt and submit an ambitious strategy by early 2020 to the UNFCCC as requested under the Paris Agreement.

Today, the European Commission has shown the way to a **prosperous, modern, competitive and climate neutral economy by 2050.**

We can do it, and if we succeed, others will follow.

Thank you.