

The EU Summit December 2020

The main conclusion to come out of the Summit was the new target of 55% carbon dioxide reduction compared to 1990 levels by 2030. This was reached despite opposition from Poland, seeking to defend its coal industry.

This is a tough target for the EU, as the EU remains more dependent on coal for direct and for electrical power than the UK, and cruelly dependent on imported Russian gas. Germany also has a much bigger reliance on carbon fuel related engineered products than the UK, and these are now more at risk. The reliance on Russian gas is a strategic vulnerability as well as a carbon infringement of their green aspirations. I will be looking again at what the new range of carbon reduction targets will mean for western economies and societies in future posts. What is clear from the EU's attempted rapprochement with Joe Biden's USA is they plan a strong green tie across the Atlantic. The EU has a long way to go to get to its new targets, and has various interests unhappy about the direction.

The top down green revolution will now be pressed heavily from both the USA and the EU, assuming the US courts do not change their mind about the Presidential election. Everything the EU says and does is driven by the overriding priority of cutting emissions, and their whole offer to the member states is they will lead Build Back better as top down green growth. They will be looking at a carbon border tax, beefed up emissions trading taxes and a raft of regulations, taxes and subsidies to tilt the playing field in various sectors towards the green alternative.

The Summit also considered the developing conflict between the EU and Turkey. The EU complained about the aggressive language of Mr Erdogan particularly about President Macron. The EU seeks to restrain Turkish offshore drilling in the Eastern Mediterranean and use of warships to protect their activities. Meanwhile Turkey has a lever over the EU, as Turkey is housing 3.6 million Syrian refugees, with financial help from the EU who would prefer the people to stay in Turkey.