

**Opening Remarks to the Conference:
“Implementing Copenhagen:
Business and Regional Government in a New Low Carbon World”**

**Antoni Zabalza
Chairman and CEO of Ercros
Chair of the Environmental Committee, Foment del Treball.**

Barcelona, 4th November 2009

Good morning and welcome to Barcelona. In the name of Foment del Treball and as Chair of its Environmental Committee, may I say that it is a pleasure to have you with us in this conference organized by the Generalitat de Catalunya and the Climate Group on the implementation of the forthcoming Copenhagen agreement.

Foment del Treball, the largest business organization in Catalonia, supports this initiative and hopes that the discussions today will contribute to a clearer understanding of the challenge we face and the practical ways in which the Generalitat de Catalunya and the business community can help to meet this challenge.

In the past, the business community, and the industrial community in particular, has not always understood the need for global action against climate change. We have expressed doubts about the extent of the problem

and about the urgency of the required measures to mitigate it. And we have also complained that these measures seem to have fallen almost exclusively on the industrial sector.

This sentiment, however, is changing, and is changing fast. We now believe the evidence on climate warming and on the contributing role of carbon dioxide emissions from human activity is strong. We also recognize that this evidence has withstood a very rigorous critical process within the scientific community. Of course, there are still uncertainties, but we are now reconciled with the idea that the risk of a potentially catastrophic rise in global temperature is a real and grave threat, and that action must be taken against it.

Having said that, and having made clear our support to the Copenhagen agreement, let me complete these opening remarks sharing with you some worries from the business community.

A global agreement on reductions of carbon emissions is by its very own nature a significant and vast intervention on the economy. We hope this intervention will be as neutral as possible in order to minimise distortions to international competition. A significant European effort must be corresponded with an equivalent effort by other nations. If this is not the

case, we will not achieve the emission objectives pursued, and in addition we will introduce inefficiencies in the workings of the world economy. We will all be worse off as a result.

We accept the quota system as the most practicable solution, but it is important that emission rights are internationally tradable. The final allocation of resources should be guided by the market to the maximum extent possible. If this market works properly, the price of emission rights should become an important reference in order to set incentives and to guide economic behaviour.

This poses the delicate but unavoidable question of how to deal with diffuse emissions from transport and other non industrial activities. It may not be realistic to include these sectors within the tradable emission rights system, but there must be ways to make them face relative costs that reflect the environmental impact of their activity. Industry cannot be the only bearer of the responsibility to reduce carbon emissions.

If global carbon emissions must be reduced to the extent demanded by the scientific community, the whole of society will have to work in that direction. Industry can significantly contribute to energy conservation by devising new and more energy saving processes and by putting into the

market more efficient products to insulate buildings. Governments, by their part, will have to face squarely the question of nuclear energy and recognize that, in the present circumstances, the possible risks associated to this particular form of energy production are more than compensated by the benefits of being an emission free activity. Governments will also have to put a special emphasis in promoting research and development in cost efficient forms of renewable energy production. And finally, the public in general will have to be made aware that energy conservation is a principle that must be incorporated into everyday behaviour.

In the context of the Kyoto Protocol, European industry has shown that significant cuts in carbon emissions can be achieved. If the likely ambitious Copenhagen objectives are confirmed, industry will put again all its weight towards this goal. But industry, which needs to remain profitable and competitive in the world market, cannot on its own solve the whole problem. This time the effort will be surely larger, but must also be widespread across all institutions, and all economic and personal activities. It must be, one way or another, a real and accepted social responsibility.

I wish you a happy stay in Barcelona and a very productive conference.

Thank you very much.