

## **Uneven targets pose risks to industry**

Financial Times; Jan 15, 2004

Sir, The government needs to recognise that global emissions will rise if it imposes a tougher cap than our competitors ("Industry faces order to cut carbon emissions by 16%", January 12). UK industry already plays a significant role through its commitments under the climate change levy and higher power prices that subsidise renewable generation. But a fundamental condition for this, and any further commitment, is the need to remain competitive.

Imposing a more stringent burden than our competitors risks irreparable damage to our manufacturing base. More goods will then be made in less efficient plant in countries that are unconstrained by the Kyoto protocol, such as China, or those that have rejected it altogether, such as the US and Australia, so global emissions will go up, not down.

Loyola de Palacio, the European energy commissioner, says it would be "suicide" to press ahead with Kyoto without the participation of Russia and others. Climate change needs to be tackled with effective policy and action, not by falling on one's sword in an honourable gesture.

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