

Incredible Shrinking Europe

Between Climate Utopia And Green Energy Crisis

Dr Benny Peiser
Director, Global Warming Policy Forum



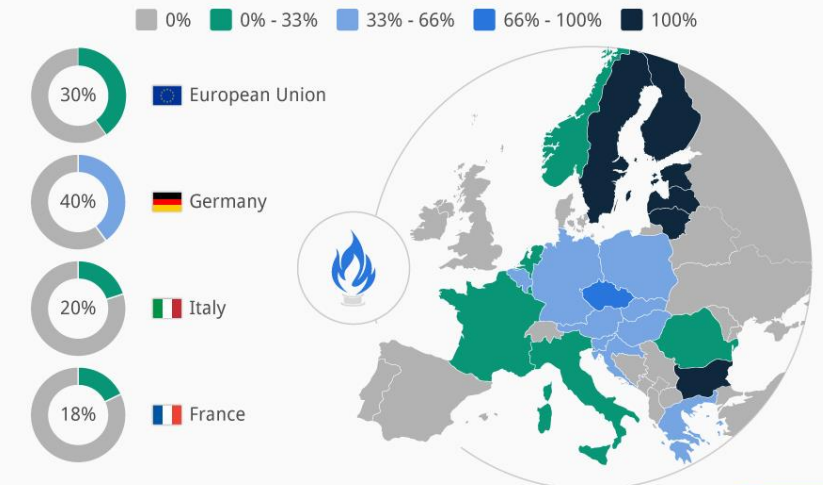
Europe's Energy & Economic Challenges

- highest energy prices among G20 nations
- Losing international competitiveness
- Economic stagnation & rising energy poverty
- Heavy industry shifting production to cheap energy countries
- Europe's huge coal and shale deposits left in the ground.
- Growing energy and political dependence from Russia



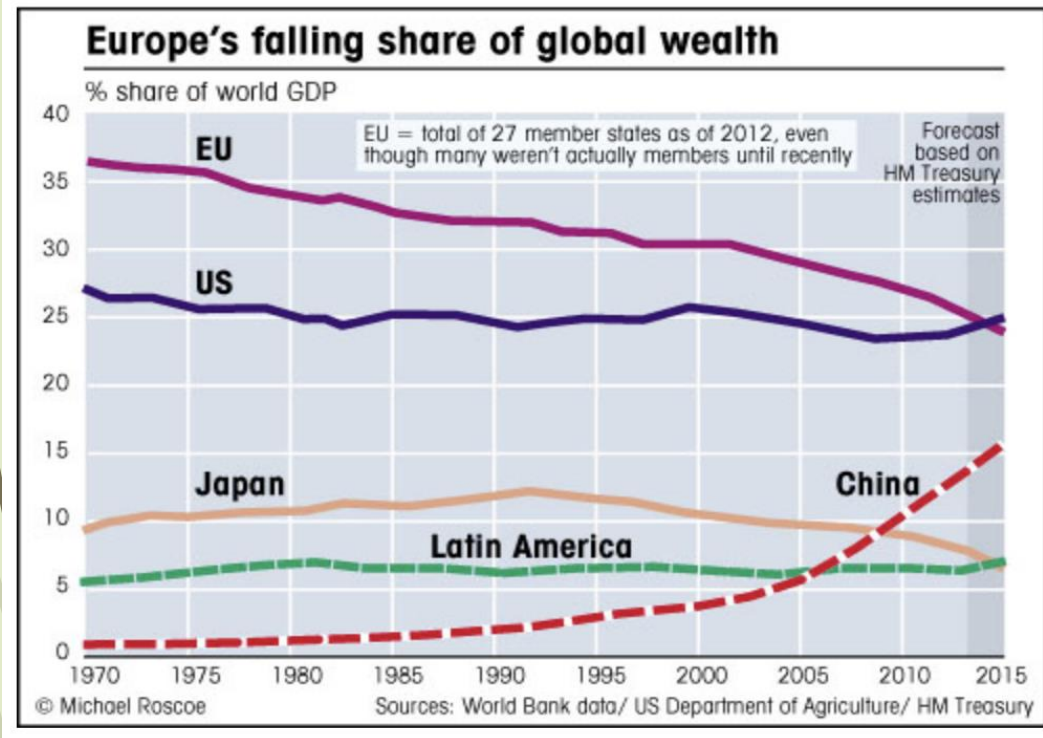
Europe is Highly Dependent on Russian Gas

Percentage of gas supplied by Russia to European countries



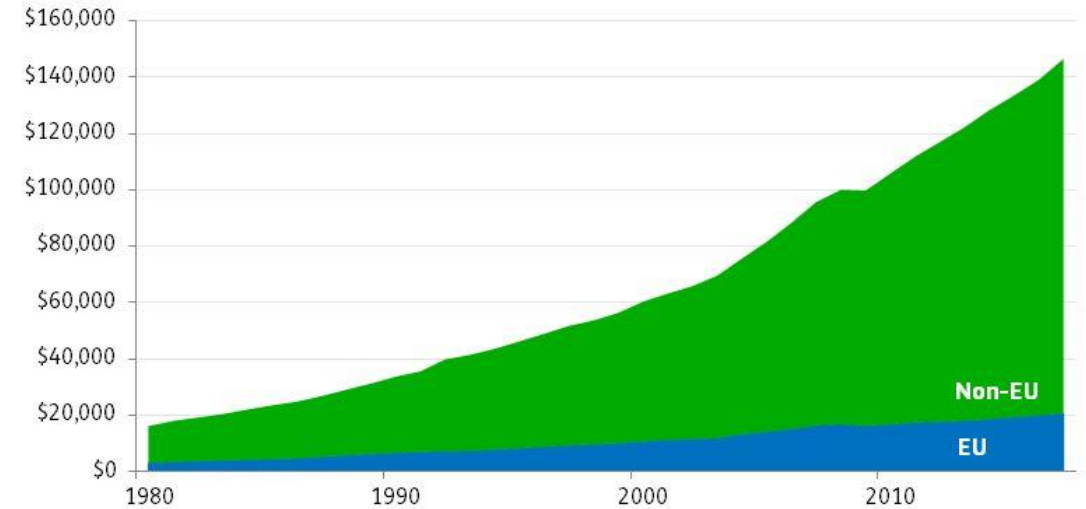
© StatistaCharts Sources: CNN, WTO, U.S. Census Bureau, Eurostat

Europe's Economic Decline



EU's falling share of the world's economy (PPP)

World economic output* and EU economic output**, measured in international dollars, including IMF forecasts for 2016 and 2017



*More of the world's economy is accounted for in later years. The IMF publishes estimates for 190 countries in 2017, but only for 146 countries in 1980.

**The EU's economic output includes countries which were members of the EU in each particular year, rather than EU 28 countries.

Source: IMF World Economic Outlook (October 2016)

EU Commission Study: Competitive Disadvantage of EU Climate Policies

- EU 28 household electricity prices are now more than double those in the G20, while industrial electricity prices are now nearly 50% higher.

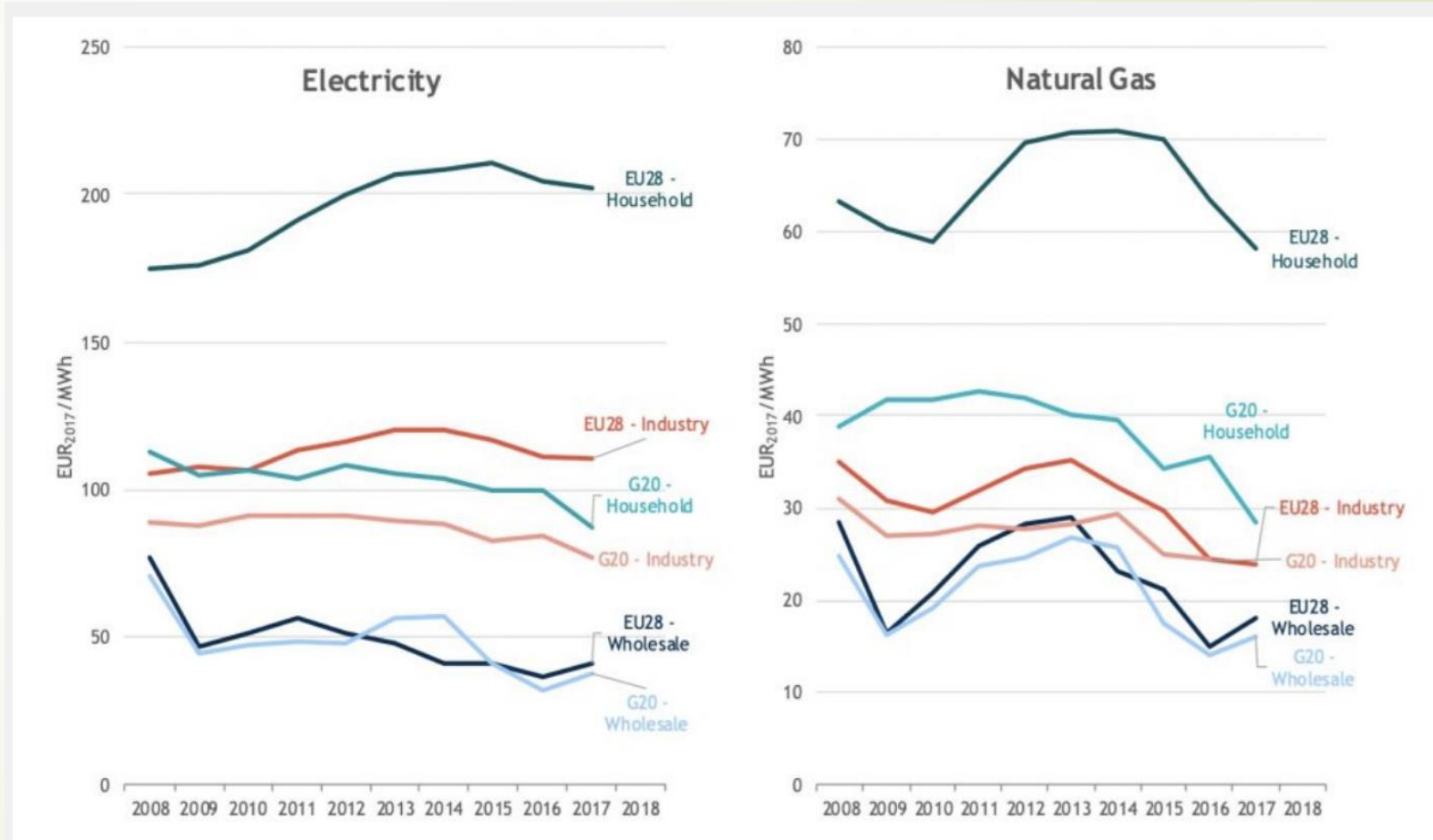


Figure 1. EU28 weighted average electricity and natural gas prices compared to G20 weighted (by trade with EU) average prices, 2017 €/MWh. Source: Trinomics for DG Energy, Study on energy prices, costs and subsidies and their impact on industry and households(2019), 17.

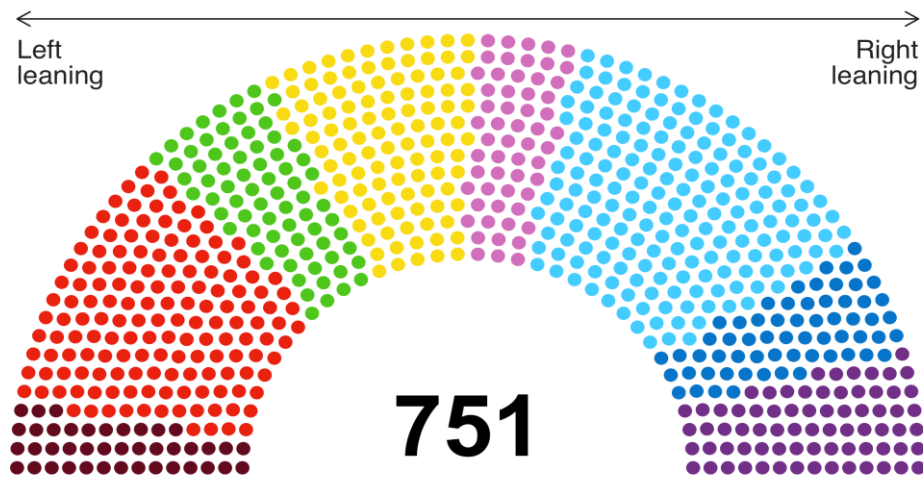
EU Elections May 2019

A Super-Green Coalition

EU elections

Seats by party group

- Left (GUE/NGL): 41
- Socialists and Democrats (S&D): 154
- Greens (G/EFA): 74
- Renew Europe (Liberals): 108
- MEPs not in a group: 57
- Centre-right (EPP): 182
- Conservatives (ECR): 62
- Right-wing nationalists (ID): 73



Source: European Parliament

BBC

Centre-right European People's Party and Party of European Socialists & Democrats no longer have majority

Liberals and/or Greens have to agree to form a majority.

Ursula von der Leyen: The New EU Commission President

- ▶ She has promised to make climate and the environment top priorities in all EU policy areas.
- ▶ Nine-vote majority reflects deep EU divisions about her green policy agenda.

itv NEWS

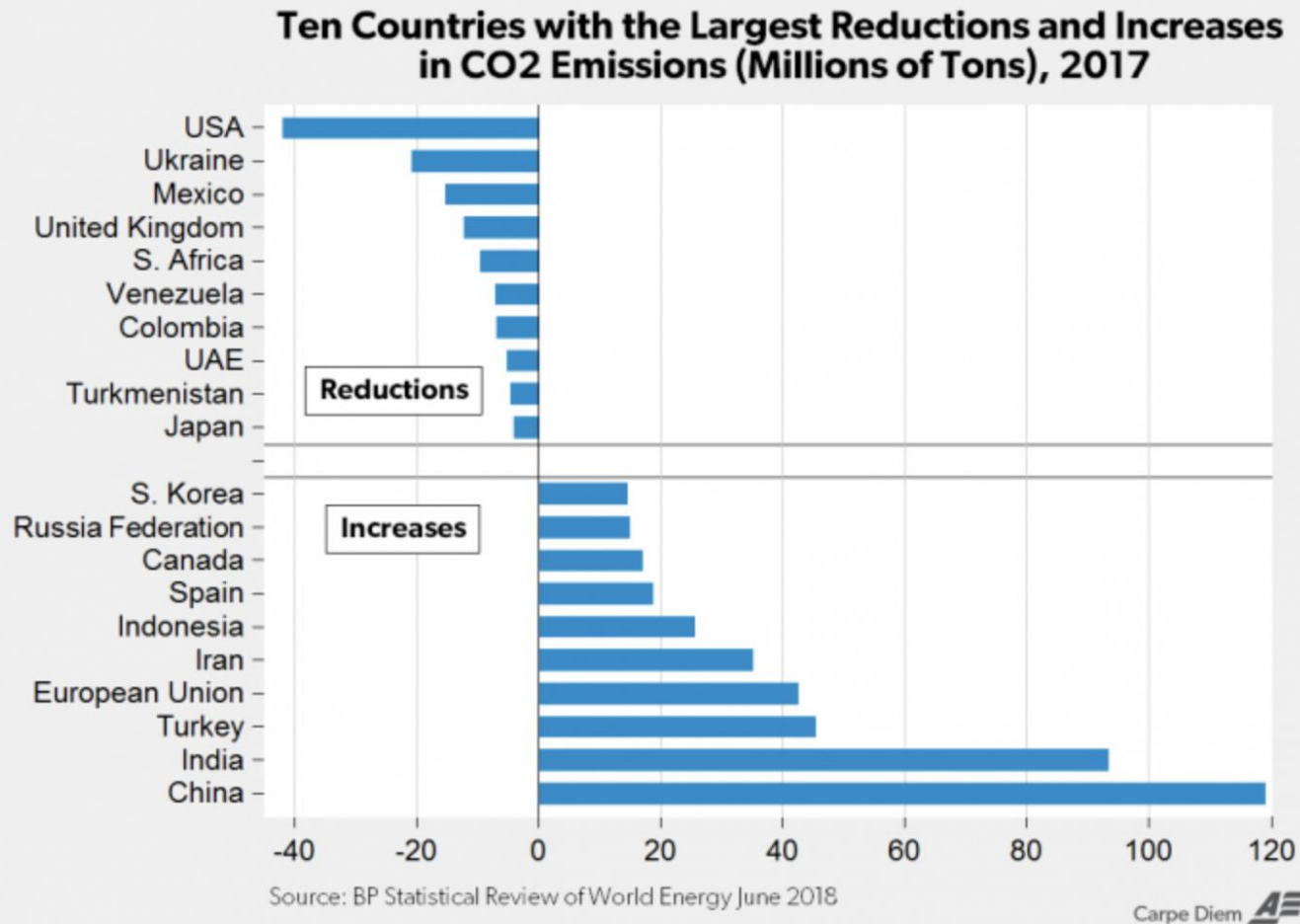


VON DER LEYEN
NARROWLY ELECTED

Von der Leyen's Green Deal Promises

- Introduce 'Green Deal for Europe' in her first 100 days in office
- Increase EU's CO2 emissions target from 40% cut by 2030 to at least 50%.
- A law to make Europe carbon neutral by 2050.
- A carbon border tax to avoid carbon 'leakage' of more industries moving production to countries with lower emission targets.
- **BUT – she will need to win the backing of all EU governments**

CO2 Emissions Rising



- The EU's CO2 emissions since 2014 have been going up in 14 out of the 19 larger EU member states.
- EU's CO2 emissions increased by 2.5 percent in 2017. --BP Statistical Review of World Energy 2018

Governments Increasingly Divided As Costs & Opposition Grow

Holland

POLITICS

RULING PARTY DOES NOT WANT TO IMPLEMENT CLIMATE AGREEMENT

By Janene Pieters on January 14, 2019 - 09:15



Klaas Dijkhoff (Photo: Rijksverheid.nl/Wikimedia Commons), Klaas Dijkhoff (Photo: Rijksverheid)

22.04.2016 KL. 22:04

Climate Minister: The green transition has become too expensive

The climate and energy minister raises the idea of looking at the green transition. No, the opposition says.



Denmark

Germany

Climate policies threaten to blow apart Germany's ruling coalition

An effort to cut emissions includes a heavy dose of politics.

By KALINA OROSHAKOFF | 2/26/19, 8:32 PM CET | Updated 2/28/19, 4:38 PM CET



IRISH PRIME MINISTER DELAYS CARBON TAX AFTER 'LEARNING LESSON' OF YELLOW VESTS PROTESTS

Date: 08/01/19 | The Times

The government needs to develop a "package of measures" to meet Ireland's climate change targets without bringing protesters out on the streets, the taoiseach has said.

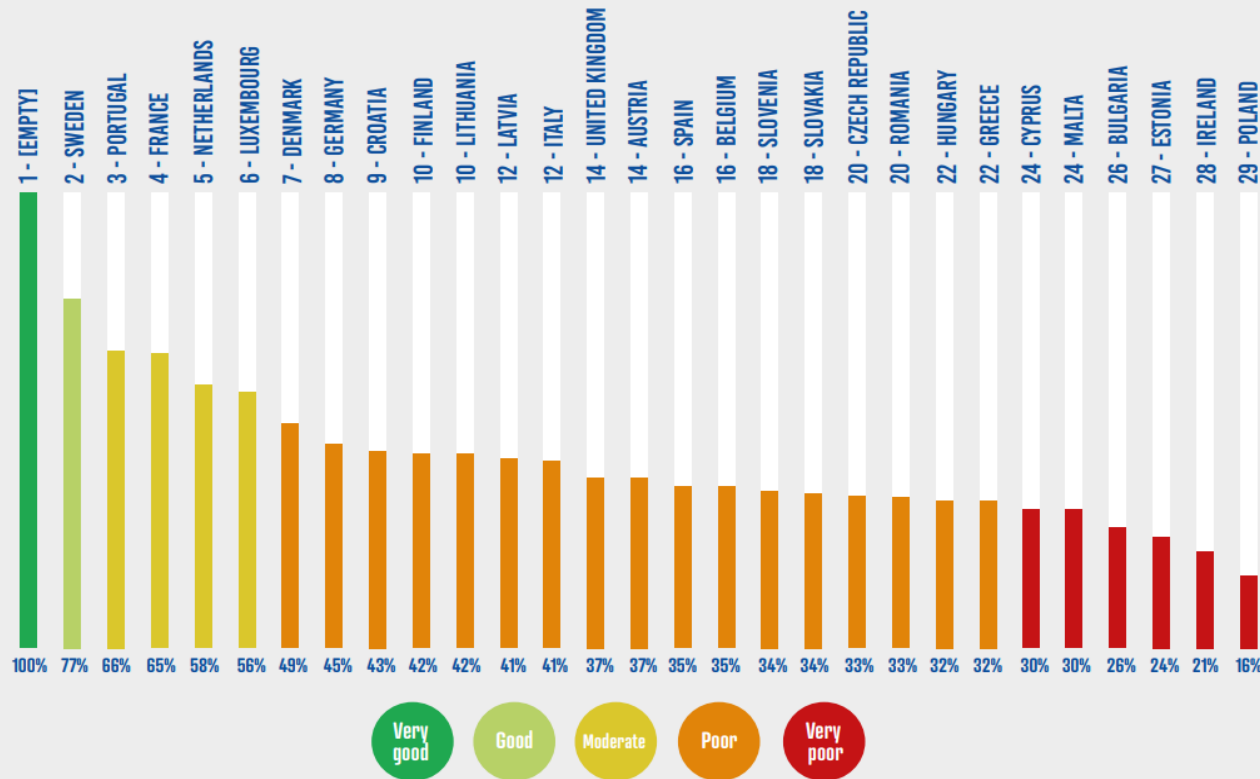


Campaigners from Yellow Vest Ireland in Dublin (Brain Lawless/PA)

Ireland

EU Failing Its Climate Targets

Where do EU countries stand on fighting climate change?



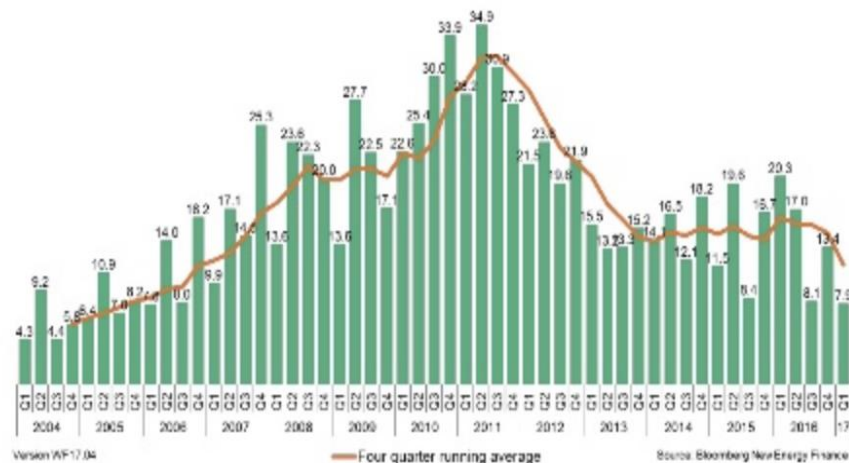
All EU countries are missing the Paris Agreement targets, as assessed by CAN Europe (2018).

“No single EU country is performing sufficiently in both ambition and progress in reducing carbon emissions.”

If renewable energy is so cheap, why is EU investment declining?

- Investment in renewables in the EU fell 50 percent between 2011 and 2017, to \$57 billion (€46 billion). --*Bloomberg New Energy Finance*

Europe new investment in clean energy
(\$ billion)



Renewables investment in UK will fall 95% over next three years - study

Analysis reveals extent of decline because of subsidy cuts and raises concerns about Britain meeting emissions targets



▲ More than £1bn of future investment in green energy projects disappeared during 2016, thinktank finds.

Renewable Subsidy Cuts

Wind energy suffers tough year in Europe with 12 nations failing to install a single turbine

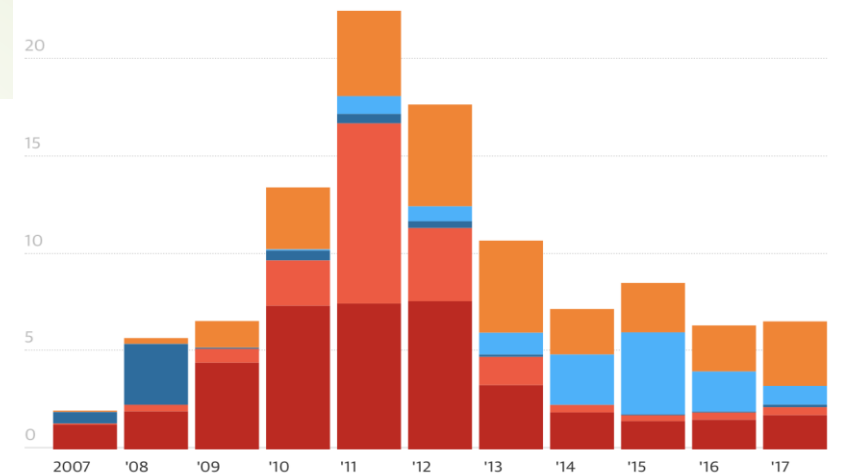
PUBLISHED THU, FEB 21 2019 • 4:07 AM EST | UPDATED THU, FEB 21 2019 • 5:02 AM EST

German Onshore Wind Installations Plummet 87% In First Quarter

The decline in UK solar power last year caused EU growth to flatline

New solar capacity, gigawatts

Germany Italy Spain United Kingdom Rest of EU



Guardian Graphic | Source: SolarPowerEurope

UK solar deployment halved in 2017 following government's 'solar exit'





Carbon Tax Revolts

BUSINESS NEWS SEPTEMBER 27, 2017 / 12:23 PM / A YEAR AGO

France raises carbon taxes, to repay EDF renewables debt

Bate Felix, Geert De Clercq

4 MIN READ



PARIS (Reuters) - France plans to increase carbon taxes to boost support for renewable energy and will repay a longstanding renewables-related debt to utility EDF, the government said on Wednesday.

OPINION | REVIEW & OUTLOOK

The Global Carbon Tax Revolt

The French are the latest to refuse to sacrifice growth for green piety.

By The Editorial Board
Dec. 3, 2018 6:41 p.m. ET



Newsweek

Tue, Mar 05, 2019

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WORLD

MACRON DECLARES DRAMATIC U-TURN ON CARBON TAX AMID WEEKEND OF RIOTS AND PLUMMETING POPULARITY

BY SAM EARLE ON 12/4/18 AT 10:14 AM

Europe's East-West divide is back, this time over climate policy

There's growing pressure to set a 'net zero' emissions goal by 2050, but not all EU countries are on board.

By **KALINA OROSCHAKOFF** | 5/8/19, 7:55 PM CET | Updated 5/11/19, 10:14 AM CET

Climate policy is splitting the EU.

euobserver



NEWS / CLIMATE & ENVIRONMENT

Four states block EU 2050 carbon neutral target

