



## **EU-Brazil Week: Only Baby Steps on Renewable Energy & Trade**

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Last week, at the annual EU-Brazil Summit, the EU and Brazil have been discussing how to jointly tackle our global challenges – chief among them trade, climate change and economic growth. For the last four summits, leaders have pledged their unwavering commitment to work together. But were there actual results?

Yes, we are happy to see some progress was made, but surely we can and must do much more. It's time to be bold and make decisions that will make a significant difference. I was encouraged to hear the European Council President Herman Van Rompuy say "we are able and willing to do more."

Now these words need to be followed by actions.

For instance, what was accomplished in terms of pressing issues that were on the agenda, especially trade and renewable energy?

Let me start with renewable energy. The EU and Brazil noted the importance of stable and transparent energy markets and the need for continuous efforts to improve energy access and sustainability, which are crucial elements for global economic growth. The Letter of Intent signed last week between the European Commission and the Federative Republic of Brazil is a first step in that direction. It aims at strengthening the scientific cooperation between both parties in climate change, energy and sustainable management of natural resources, among other issues. I think this is a promising start but now we need to take these talks to the next level.

By 2050, global energy demand is expected to double. The business community gathered at the 2011 EU-Brazil Business Summit fully agreed that biofuels are the only powerful resource available at a commercial scale to efficiently and economically decrease greenhouse gas levels in the transport sector. However, we need a clear policy framework that will enable increased, yet sustainable production. Brazilian sugarcane ethanol, which is produced in a sustainable way with no subsidies, is the best performing biofuel thanks to its environmental benefits. Yet its access to the European market is heavily restricted. This brings me to my next point: trade.

Brazil is the sixth largest investor in the EU but existing trade restrictions and unjustifiably high tariffs still limit the access of Brazilian products into the European market. Brazil already eliminated its tariff on ethanol. Now it's time for Europe to do the same and offer its people a chance to choose a clean and sustainable fuel, at a competitive price.

If biofuels are indeed a powerful and sustainable alternative that can help Europe decrease transport emissions, we need to open up markets so we can share our expertise and goods, while at the same time helping Europe reach its targets.

So, we truly hope the new Joint Action Plan for the period 2012-2014 will provide us with a genuine level playing field and reduce suspicion on both sides. This will have an impact across many sectors and it will ultimately benefit us all. Not only do we hope it will boost innovation, enhance employment, stimulate economic growth, but a successful agreement can also create economic synergies and reduce costs of raw material for both parties, besides achieving an environmentally friendlier planet.



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We're on the right track, but baby steps won't get us there fast enough. Let's move beyond constructive talks and leapfrog into a sustainable and prosperous future for both Europe and Brazil.

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