

Mr. Donald Tusk
European Council President
Rue de la Loi 175
1048 Brussels
Belgium

Brussels, 6th May 2019

Subject: IOGP's input to the Informal Meeting of Heads of State or Government, Sibiu

Dear President Tusk,

In Sibiu you will discuss nothing less than the 'Future of Europe', defining the overall direction and political priorities of Europe, including Climate & Energy issues.

The International Association of Oil & Gas Producers (IOGP) has welcomed the Paris Agreement. Our industry can contribute to the dual objective of reducing greenhouse gas emissions while providing affordable energy to European households and businesses.

To meet this dual challenge, we recommend to:

Use our industry's solutions to reduce EU emissions now:

- A coal-to-gas switch in power generation would halve CO₂ emissions and virtually eliminate air pollutants. Coal accounts for 70% of the power sector's emissions.
- Low-carbon liquid fuels, hydrogen, LNG and gas in road and maritime transport.
- High-value petrochemicals for insulation and lubricants (incl. for wind turbines).

Provide affordable energy to Europeans:

- 54 million Europeans suffer from energy poverty and struggle to keep warm.
- Electricity is on average 4 times more expensive per kWh than gas (Eurostat).
- Choose a smart mix of energy sources over excessive electrification.

Keep domestic oil & gas production, jobs and government revenues in Europe:

- Europe's own oil & gas resources supply 50% of the EU's gas and 25% of its oil demand. Recent North Sea and EastMed discoveries show remaining potential.
- Taxation of oil & gas products brings in around €420 billion on average per year to Europe's economy, equivalent to around 2.7% of EU GDP.
- The oil & gas industry generates 1.1 million direct and indirect jobs in Europe.

Support CCUS as stressed by the Commission, IEA and IPCC:

- Carbon Capture Use and Storage (CCUS) will help industries vulnerable to carbon leakage (steel, cement, refining, chemicals) retain their competitiveness in a carbon-neutral Europe.
- Hydrogen from reformed natural gas and CCS in heating, transport and power generation.
- Supporting these technologies in the debates on sustainable finance and financial mechanisms such as InvestEU, Horizon Europe, Cohesion Funds.

I encourage you to consider these points while addressing the discussing the 'Future of Europe'.

Yours sincerely,



François-Régis Mouton
Director EU Affairs, IOGP