



# The European Green Deal

It all sounds very nice, but...

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With their „European Green Deal“, the European Commission expressed an admirable ambition to be climate-neutral by 2050. Are such ambitious long-term goals good for the credibility of European climate protection policies? Especially when they include only the vaguest notions of how to get there, and when the measures for more efficient climate protection that can be implemented in the short-to-medium term are not making sufficient progress? I don't think so.

It has become a ritual of national and international climate politics: policymakers set ambitious long-term climate targets, and it usually becomes quite clear that they will not be met long before the stated time limit. In response, policymakers tend to call for even more ambitious goals to be met in the (even) more distant future. Why is that the first thing that comes to my mind after reading through the European Green Deal, in which the EU Commission has formulated the goal of climate-neutrality by 2050?

But let's take a step back: contrary to the arguments of some climate activists, the failures to reach targets as outlined above, do not stem from policymakers doing “nothing” to protect the climate. For example, several hundreds of billions of euros are invested in renewable energy each year, often in the form of grants and subsidies. Policymakers support technologies such as e-mobility and schemes to renovate buildings to make them more energy-efficient. Many countries and sectors have strong regulatory law to help reduce energy consumption and carbon emissions. Taxes on energy have risen across most countries in recent decades, while subsidies to the fossil fuel sector have declined.

So why are we failing to meet targets? Because there are still no powerful, reliable, cost-efficient and low-carbon technologies that can satisfy the world's growing appetite for energy. Another reason behind our failure to meet climate targets is the fact that the economic system we have developed over decades – in other words our daily consumption and production practices – is a very inert one. Rapid changes entail economic, social and political costs. Politicians are well aware of these factors, but they are often little more than a footnote in public debate. However, policymakers have to put up with the accusation that their climate protection policies are not efficient enough and that they are reluctant to implement a comprehensive system of carbon pricing.



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### Earlier long-term EU climate goals were also highly ambitious

How has the EU positioned itself to date where climate protection is concerned? For some time, it set itself the goal of cutting greenhouse gas (GHG) emissions by 80%-90% of their 1990 values by 2050. By 2020, the EU is likely to have made it almost one-quarter of the way to that goal. That is a considerable reduction taking into account that in 2020, global carbon emissions from energy production will have risen by more than 60% compared to 1990. In cutting its GHG emissions by almost 25%, the EU will in fact have overshoot the goal it set itself in 2007 of a 20% reduction compared to the base year of 1990. However, it is also true that it took the EU around 30 years to achieve the first 25% of the cuts – and the remaining 75% is supposed to be achieved in the coming 30 years. That alone is quite puzzling, as such schemes usually make a large portion of their progress in the initial phases when there is plenty of low-hanging fruit ripe for the picking.

In recent years, the EU has not remained consistently on track: in spite of mediocre economic growth, GHG emissions did not decrease between 2014 and 2017, though emissions went back to declining in 2018 and will probably also do so in 2019. However, there is no sign of a steep and steady downward trend. The latest “Climate Action Tracker” – a yearly report that reviews individual countries’ progress in reaching their Paris climate goals – describes the EU’s goals and measures as “insufficient”. The EU is not alone, however, as the USA, China and Japan fare even worse. Only two countries evaluated by the Climate Action Tracker are certified as doing enough to limit global warming to 1.5°C: Gambia and Morocco.

### The EU’s policy target: Climate-neutrality by 2050

The goal of cutting GHGs by 80%-95% is now officially not enough for the EU. It is piling another one on top: climate-neutrality by 2050!

How realistic is this in the view of neutral observers such as the International Energy Agency (IEA)? In November, the IEA published its latest World Energy Outlook, which outlines different energy scenarios up to 2040. In its main scenario, in which the Paris Agreement pledges are implemented, the EU’s CO<sub>2</sub> emissions in 2040 fall by over 50% compared to their 2018 levels. Even in the distinctly ambitious and, from today’s perspective, highly unlikely “Sustainable Development Scenario” (SDS), the EU will “only” manage to cut emissions by 73% by 2040 compared to today’s level. In the SDS, just under 40% of primary energy consumption in 2040 will be met by natural gas, oil and coal (compared to 71% today).

### Green Deal remains vague

Given the potential dangers of climate change, I often feel petty and cheap when I take a critical view of current climate policy and the feasibility of long-term climate policy goals, because of course the EU is reaching for a noble goal. Who could possibly object to “transforming the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use”? That is what the Commission sets out in its Green Deal.



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But the figures are what they are. And I have to wonder, what does the European Commission know that the IEA and other institutions don't? If the EU is setting such ambitious goals, then it should have a relatively specific idea of what technologies it can use to achieve them and how it plans to intervene in consumption and production practices. On that front, however, the Commission makes only vague statements or fails to make any at all in its European Green Deal and other publications.

As an example, I would like to highlight a few aspects from the Green Deal to elaborate on:

- Unsurprisingly, the EU wants to rely primarily on renewable energy. The carbon footprint of renewables is indeed much better than that of fossil fuels, but they are not fully climate-neutral. And the road to 100% renewables is still a long one. The most recent data suggests that renewables account for approximately 18% of gross final energy consumption in the EU.
- The EU aspires to renovate a higher share of its building stock (currently 0.4% to 1.2% annually). Aside from the question of which construction companies are expected to renovate Europe's entire housing stock by 2050, it must be pointed out that renovating buildings generally does not turn them into zero-carbon buildings, but rather brings them up to a (significantly) higher energy efficiency level than before.
- In their communication documents, the Commission states that multimodal transport needs a strong boost. That is dishonest. A climate-neutral Europe needs to significantly cut transport use, regardless of the means of transport in question. For politicians, making the case for less transport use and introducing restrictive measures is fraught with risk.
- The Commission says that it will support the deployment of charging stations for zero-and low-emission vehicles. It must be noted at this point that when the entire value chain is taken into account, there will be no such thing as zero-emission vehicles for the foreseeable future.
- In its communication, the Commission suggests that it is counting on innovative technologies, and specifies carbon capture, storage and utilisation, though it is fully aware that many countries (such as Germany) have already effectively ruled out these technologies.
- The Commission estimates that achieving the 2030 climate and energy targets will require EUR 260 billion of additional annual investment. Raising the necessary financing is easier said than done, as it has to compete with other potential uses.
- The Commission's Green Deal also includes elements of European policy that are unlikely to be welcomed in some member states: it wants to tap into its own revenue streams for climate protection and questions the principle of unanimity where taxation is concerned. The latter is related to tax exemptions for kerosene, which the Commission intends to review. If that becomes definite, then I will be interested to see how it is received in countries that generate a high proportion of their revenue from foreign tourism.



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### Credibility of climate policies is undermined once again

Don't get me wrong: the Commission's Green Deal contains a lot of good ideas, such as its plea for comprehensive carbon pricing. That should definitely be pursued. It also makes vital points where local environmental protection and biodiversity is concerned. However, the core of the matter is the following concern: Are such ambitious long-term goals good for the credibility of European climate protection policies when (at the same time) the measures for more efficient climate protection that can be implemented in the short-to-medium term are not making sufficient progress? I don't think so.

What climate neutrality requires above all is a reduction in everything that makes up our current material prosperity – at least when this goal should be reached with technology that is available now. That will come at a huge economic cost and may be politically explosive. The democratic debate about citizens' willingness to go without their material prosperity has only just begun.

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