



EUROPEAN UNION

~FACTSHEET~

EU-US STRATEGIC ENERGY COOPERATION

Issue

Energy is vital for economic development. Ensuring security of energy supply, developing competitive markets and meeting the environmental challenges are at the top of the EU and US political agendas. The EU and the US agreed to develop a strategic cooperation on energy and energy security. This cooperation will contribute to increased regional stability, greater security of supply and finally, new business opportunities to our mutual advantage.

EU policy aims

To meet three core complementary objectives: sustainable development, competitiveness, and security of supply, within six priority areas:

1. The completion of an open and competitive internal gas and electricity market.
2. The assurance of security of supply within market mechanisms (transparency, competition, liberalisation) and solidarity among Member States in emergency cases.
3. A more sustainable, efficient and diverse energy mix. The choice of energy mix is still a competence of each Member State; however, their choices would affect the whole EU. Therefore, a wide analysis is proposed to determine the advantages and disadvantages of each choice from an integrated European vision.
4. An integrated approach to tackling climate change and through it, security of supply and sustainability.
5. A Strategic European energy technology plan.
6. An external energy policy that would enable the EU to speak with one voice.

EU strategy

The EU's aims require a combination of internal and external policies. The EU believes in the need of a global approach to the new energy era. The global goals to achieve are to promote well functioning markets more transparent, and operational, as well as diversification of energy sources and energy routes. This would enable stable legal conditions for energy investments and trade at EU level and globally. These goals are to be tackled with a coherent, strategic and focused EU external energy policy where dialogue at bilateral, multilateral and regional level shall be developed. Thus, a more political dialogue on energy is needed with the US.

Link to US

The EU and the US are the world's largest energy markets. Our trade and investment relationship is the largest in the world. We share common concerns on energy efficiency, security, market based energy policies and the environment. As key consumers, we are in the front row for action.

The wider context

If policies don't change, world energy demand will increase by over 50% from now until 2030, with India and China as new key players. The world energy resources are adequate to meet the demand, however, an investment of 16 trillion US \$ would be needed worldwide to bring energy to consumers. Oil prices are still growing. Import's dependency from unstable regions is also on the rise. 50% of the EU gas consumption is imported. A growth of 80% on the imports is expected in the next 20 years. CO2 emissions are also increasing; they are predicted to grow 52% by 2030 on a business as usual scenario. Dialogue and cooperation are essential between energy consumers and also producers and suppliers. If things don't change, the energy future is not sustainable from an environmental and an energy security perspective.

Facts and figures

Both the EU-25 and the USA, face a challenge in the energy field. With 12% of the population, we represent half of the world domestic product, consume 37.9% of the world energy and produce 23% of the total. The US and EU-25 account for almost half of the world electricity, oil and gas consumption. We represent 44% of the global electricity consumption, with the US consuming almost a quarter. The consumption of electricity per inhabitant is three times higher in the EU-25 than in the world and more than six times higher in the US. 43% of the global oil is consumed by the USA (23%) and EU-25 (18%). The US consumes 23% of Natural Gas and the EU-25 18% - together we represent 41%. We are also responsible for 39% of CO2 emissions in the world, the US produces up to 23% and the EU-25, 16%.

History

The European Union and the U share a long tradition of working together to promote strong economic growth and improve energy security. We pursue this through multilateral mechanisms such as the International Energy Agency, the G-8 initiatives and the Bonn "Renewables 2004" Action Plan. EU-US annual summits have fostered bilateral energy cooperation. Leaders announced in a joint statement at the 2003 EU-US Summit in Washington to cooperate in accelerating the development of the hydrogen economy as part of their broadening cooperation on energy. At the 2004 Summit, a commitment to further transatlantic economic integration was adopted. At the June 2005 EU-US Summit, leaders launched an initiative to Enhance Transatlantic Economic Integration and Growth which included a statement on cooperation on energy. The EU-US first informal economic ministerial meeting on the 30th of November 2005 followed up on the commitments made during the June summit and discussed transatlantic economic integration and shared economic challenges. One of the accomplishments was the renewal of the EU-US Energy Star agreement for the promotion of energy efficient office equipment. The next EU-US summit will be held in Vienna on the 21 of June, where the EU and the US will present the agreed strategic cooperation on energy.

For more information go to:

The Commission Directorate-General for Energy and Transport website:

http://ec.europa.eu/dgs/energy_transport/index_en.html

The Commission Energy web portal: http://ec.europa.eu/energy/index_en.html

The 2003 EU-US Summit joint statement on hydrogen economy:

http://ec.europa.eu/comm/external_relations/us/sum06_03/jshydrogen.htm