



European Entrepreneurs CEA-PME

Confédération Européenne des Associations
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Press Release July 2nd 2025 on the European Commission proposal for a CO2 Reduction target of -90% by law until 2040.

European Entrepreneurs CEA-PME asks to reduce the target in 2040 to 75%, as half of the result in half of the time available, and to add more flexibility to the system in order to allow a realistic adaptation to critical market situations, but anyway strive for the same 100% climate neutrality in 2050. International credits and the cooperation with Africa in this field would be a win-win for both continents, as well as also with South America.

Today, July 2, 2025, European Commission President Ursula von der Leyen presented its proposal for the 2040 target of the European law on climate neutrality, reiterating the already announced intention to set by law a net reduction of 90% of greenhouse gas emissions compared to 1990 emissions.

As European Entrepreneurs CEA-PME in the interest of our SME and Mid-Caps all over the continent, we have been very doubtful about this objective since it has been under discussion, that is, for at least 5 years, but also in light of today's proposals we cannot help but **express our strong concern for the European Manufacturing Industry**, made of small and mid-sized private industries, and the exorbitant costs that this proposal will bring down on them for the next 15 years.

As a first reaction to the Commission's press release published today, before further detailed content analysis, and despite the good intentions expressed by Commission President von der Leyen of funding for R&D, investments for hard-to-abate industries and the facilitations provided by the Clean Industrial Act, we want to underline three crucial aspects:

1. Setting the reduction at -90% by law makes this **an enforceable objective** with which companies and member states **can be sued in court**. This legislative cudgel only serves to alienate companies and citizens from the European Union, especially if the **objective appears unattainable** in the time available.
2. The reduction of 55% set for 2030 already seems highly difficult to be achieved at the moment - for many reasons like the COVID crisis in 2020-2022, the brutal invasion of Ukraine by Russia since Feb. 2022, the energy crisis in 2022-23 and the current poly-crisis with Ukraine, Hamas-Israel, Iran-Israel and the return of custom tariffs on the international scene. From 2030 to 2050 in which we aim for climate neutrality, i.e. a 100% net reduction, it is 20 years, and from 2030 to 2040 it is 10 years, therefore half the time. **In half the time, only half the results can be achieved.** Instead, an increase from 55% to 90% is **almost four fifth of the result expected** to be delivered in half the time. We believe that a **legally set target of 75% is more realistic** and will demonstrate Europe's ability to **set feasible targets and stick to it**, without imposing absurd costs and legal burdens on its economy.



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3. Investments, public funds and bureaucratic simplification are not enough to achieve the 90% goal. Above all, **greater flexibility** is needed to adapt the transition of companies to market realities. This flexibility regards above all the possibility of **using international credits** for the net emissions accounts in Europe. For instance, Europe and Africa can play in tandem here, creating a greater supply of renewable energy in Africa and protecting its natural resources like forests, swamps and mangroves, and at the same time financing these interventions with international CO₂ emission credits. Therefore, the proposal to admit these credits only in **2036 in a limited manner** and **only for "high quality credits"** is a concession that is too weak and almost useless to help our European SME and Mid-Caps today. At least for them, the 99.9% of all companies registered in Europe, the use of **international credits regardless of their quality** (to avoid exorbitant costs of double and triple certification and the related bureaucratic burden), should be **allowed from the very beginning**.

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