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**Cost of going green 'won't turn industry away from Europe';
Renewables bill****BYLINE:** Andrew Critchlow**SECTION:** BUSINESS;EDITORIAL; OPINION COLUMNS; Pg. 6**LENGTH:** 214 words

The cost of subsidising the construction of more renewable energy won't deter industry from investing in Europe, according to a new study by the London School of Economics.

The report claims that even a 30pc increase in energy costs would only translate to a 0.1pc increase in imports and not lead to a mass exodus of industry from the European Union.

A 10-fold increase in the carbon price - currently about (EURO)7 (£5) per tonne of carbon dioxide - to (EURO)65 per tonne in the European Union Emissions Trading System, would be equivalent to a 30pc increase in energy prices, but would cause exports to fall by only 0.5pc and would increase imports by 0.07pc, says the report. "Contrary to some claims, rises in energy prices do not have much effect on the global competitiveness of businesses," said **Antoine Dechezleprêtre**, one of its authors. "Even a sizeable difference in the price of energy relative to the rest of the world has only a very small impact on a country's imports and exports."

However, some experts remain concerned that the high cost of subsidising the construction of renewable energy capacity across Europe is already making the region's industries uncompetitive with low-cost emerging markets.

The UK has pledged to produce 15pc of its energy from renewables by 2020.

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