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18th VIENNA ECONOMIC FORUM VIENNA FUTURE DIALOGUE 2021

Economy meets Politics in a Digital World

During the Slovenian Presidency of the Council of the EU 2021

Energy Transition
Infrastructure and Financial Challenges
for the Countries of the VEF Region

Monday, 22 November 2021, 9:00 a.m. - 12:30 p.m. (CET)
House of Industry (Federation of Austrian Industries), Vienna



iv INDUSTRIELLEN
VEREINIGUNG

Mr. Georg KNILL

President of the Federation of Austrian Industry (IV)



Member of
Vienna Economic Forum

Austrian industry is a world leader in providing energy-efficient and low-emission solutions and products



Ladies and Gentlemen,

I am pleased to welcome you to the House of Industry today on the occasion of the **18th Vienna Economic Forum**. I would like to emphasise at the outset that we greatly appreciate the Vienna Economic Forum as a platform for networking between business and politics in Central and Eastern Europe.

In this spirit we very much value today's remarkable programme which addresses crucial topics – **energy transition** and challenges in the field of infrastructure.

I particularly want to thank President Umundum and Secretary General Kirtcheva for organising this event.

It is also my pleasure to **welcome the Prime Ministers and Members of government**: Prime Minister of Kosovo Mr. Albin KURTI, Prime Minister of Albania Mr. Edi RAMA (online), Prime Minister of Ukraine Mr. Denys SHMYHAL, Minister of Economy of North Macedonia Mr. Kreshnik BEKTESHI.

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Dear guests,

Austrian companies have a strong presence in the CEE region. They invested a total of **€ 195 billion** abroad in 2020, **about one third of it in the CEE region, Russia and Turkey.**

Austria is thus among the **top investors** in most Central and Eastern European countries. **The outlook in Central and Eastern Europe is positive: growth of 5.4% is expected** for the 23 countries of Central, Eastern and South-Eastern Europe (CESEE) this year. We expect the strong upswing in the region to have a very positive impact on the **whole of Europe** and in particular on Austrian companies – also in combination with the national **EU recovery plans.**

Central and Eastern Europe remains essential for us economically and politically. Against this background we will continue to support **EU enlargement in principle.**

I would now like to turn to the central topic of today, which is also one of the most relevant topics for industry at the moment: **Energy Transition.**

The transformation of our energy system towards climate neutrality is an enormous challenge. It encompasses much more than just transforming the electricity and transport sector and is therefore **far more challenging than publicly acknowledged.**

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Austria has announced one of the world's most ambitious climate goals by declaring that it will become climate neutral by 2040.

The EU Effort Sharing Regulation alone, aiming at net zero by 2050, requires Austria to **halve our emissions in less than 10 years**.

In this spirit, we support the European goals concerning the Paris Agreement. Having said this, it is evident and necessary to ally with the major global economies, in particular with the **US and China**, to reach the goal of **limiting global warming to 1.5 degrees Celcius**.

Especially **energy-intensive industries still depend on fossil fuels**. These industries are directly responsible for 137,000 jobs and a production value of 54 billion euros in Austria.

We are convinced that maintaining energy-intensive production in Europe is essential for prosperity in our common region. These industries need **climate neutral fuels** like some types of hydrogen at competitive prices as a substitute for fossil fuels. It is one of the main aims of the Federation of Austrian Industries to raise awareness for the importance of competitively priced climate- neutral energy.

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The path to climate neutrality is, of course, crucially dependent on innovations.

The Austrian industry is already a **world leader in providing energy-efficient and low-emission solutions and products**. However, we have not reached the end of our road yet and are therefore working hard to further improve, scale up and globally roll out our leading technologies and solutions for industry, transport, and households.

In this sense, we very much hope to **work together closely with governments and companies in the CEE region** in the spirit of mutual interest.

It also clear that all these goals can only be achieved if the **necessary infrastructure**, such as energy, but also for example telecommunications and transport infrastructure, is expanded at the same time.

We also expect the EU to contribute to reaching this success by **funding the necessary projects**.