

WRITTEN QUESTION E-0301/04  
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to the Commission

Subject: Swedish nuclear power and the internal market

Since 1984 there has been a special production levy on nuclear power in Sweden which has been subsequently increased and, since 2000, has been converted into a fixed tax on the thermal effect of nuclear reactors. Sweden is the only Member State to impose this tax, which distorts competition on the internal market and gives electricity generated abroad competitive advantages on the deregulated electricity market. The tax has a powerful effect on the competitiveness of nuclear power producing companies and, therefore, on trade between Member States. In the draft budget for 2004, the Swedish Government states that the 'effect tax' may be compared to an extra income tax imposed on certain companies and is therefore to be regarded as a penalty. In other words, it discriminates solely against Swedish nuclear power.

The EU's directive on deregulation of the electricity and gas markets is being put into effect with the aim of creating more equal conditions. Some of the larger power companies in Sweden now have owners in other Member States, such as Finland and Germany. For such foreign owners, the impact of the Swedish tax on nuclear power is clearly detrimental since almost half of the electricity generated in Sweden is produced by nuclear power plants.

In recent years, the Commission has indicated in various ways that nuclear power is an important source of energy with beneficial environmental effects, not only in Europe but also worldwide, and that it is an effective means of achieving the Kyoto Protocol targets for the reduction of CO<sub>2</sub> emissions. The Commission should, therefore, take a particularly serious view of the fact that Swedish nuclear power is taxed in such a way as to reduce the scope for investment. It is extremely unfortunate to restrict the production of nuclear power in smoothly operating nuclear power plants in this way, bearing in mind the work currently in progress to draft a directive on measures to safeguard security of electricity supply and infrastructure investment.

In the light of the foregoing, what measures will the Commission take in response to the Swedish 'effect tax' on nuclear power, which is adversely affecting and distorting competition in power production on the internal market, impeding the process of deregulating the electricity market in the EU and reducing cross-border trade in electricity for the internationally owned and internationally operating energy companies concerned?