



The Alliance of Energy Intensive Industries:

“A review of the Carbon Leakage List should not jeopardise the carbon leakage status of the energy intensive sectors currently on the list”

We, the undersigned industries, are not only energy intensive, we are also capital intensive and our investment decisions require a predictable and reliable regulatory environment. Given our long investment cycles (several decades), 2020 is “tomorrow”.

Energy intensive industries are striving to meet the 2013-2020 requirements of the EU-ETS and are very concerned by the upcoming review of the carbon leakage list. The carbon leakage measures are a minimum requirement to partially mitigate the impact of the EU-ETS on the competitiveness of EU energy intensive industries.

Yet, in 2014, i.e. only 2 years after the start of the third EU-ETS trading period, the list of energy intensive industries qualifying as a result of the 2009 assessment as “vulnerable to carbon leakage” will be reviewed. When this review was built into the ETS Directive, hopes were high that the Copenhagen COP in December 2009 would lead to a binding international climate policy agreement by 2012. This is clearly not the case. The potential prospect for installations to find that within only 2 years of free allowances, they may risk losing them will be a severe brake on investment decisions.

The expectations based on current legislation and the implementation thereof must not be disrupted if the predictability essential for business planning is to be retained.

The Durban Platform will hopefully result in a meaningful international agreement for post 2020, but, in the meantime, effective measures against carbon leakage are essential for maintaining the international competitiveness of EU industry versus economies where no carbon constraints equivalent to those of the EU prevail.

Therefore, the special attention and the same treatment which has, up to now, been given in the EU to industries vulnerable to carbon leakage must be maintained. In a political and economic context marked by the need to re-industrialise Europe, it is clear that the successful development of business does largely depend on the ability of European industries to invest in the EU.

In view of the above, the undersigned energy intensive industries believe that since the conditions envisaged in the 2009 ETS Directive have clearly not been met, a review should not jeopardise the carbon leakage status of the energy intensive sectors currently on the list. This would be strongly prejudicial to the economic predictability they need to develop their businesses in a competitive environment.