

**EUsalt welcomes the European Parliament's vote on
The EU Emissions Trading Scheme Post-2020**

Position Paper
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The European salt industry welcomes the outcome of the European Parliament's vote on the EU Emissions Trading System, last 15th February 2017. MEPs showed their support to:

- 1) A strong ETS that effectively drives down CO₂ emissions and **protects those sectors effectively exposed to a risk of carbon leakage**. MEPs agreed on targeted risk assessment for carbon leakage exposure that could take place at NACE-4 or 'relevant disaggregation level based on public and sector specific data'. Such disposition is crucial to:
 - Avoid over-allocation of CO₂ allowances,
 - Ensure free allocations are only awarded to industries that absolutely need them, and
 - Capture the complexity and diversity of industrial sectors, which means that sectors may be partly exposed to a risk of carbon leakage – owing to certain products and/or technologies.

- 2) A **level playing field between direct and indirect carbon costs**: By voting in favour of an 'EU-centralised arrangement' for the compensation of indirect costs, i.e. increased electricity prices due to the EU ETS, MEPs took a promising first step towards tackling distortions caused by the EU ETS on the single market – both across Member States and within industrial sectors.

Industries can be at risk of carbon leakage due to increasing electricity prices. However, compensation for the latter is currently taking place at national level, which results in non-harmonised policy frameworks across Member States. Consequently, a same sector would not necessarily be compensated in all EU countries.

An EU-centralised system for indirect costs would effectively address the distortion between Member States' policies. However, it would not correct the distortion within industrial sectors.

EUsalt firmly supports a **sound EU ETS** that serves as the main instrument to achieve the EU climate objectives, **while maintaining a strong industrial basis in Europe**. It is, thus, essential that the above-mentioned dispositions remain through the upcoming negotiations between the European Parliament, the Council of the EU, and the European Commission.

EUsalt is the non-profit organisation representing the common interests of salt producers located across Europe. As the voice of the salt industry, our aim is to create an interactive platform and facilitate information exchange between the industry and European and international stakeholders.