

PRESS RELEASE - 19 May 2022

ENVI votes on ETS and CBAM put at further risks the decarbonisation investment capacity of the ceramic industry

Brussels, 19 May 2022 – The European ceramic industry calls on the EU legislator to restore the legal predictability for investments. By significantly increasing the ambition for 2030 and related costs and substantially weakening carbon leakage protection measures, the vote in the EP Environment Committee, if confirmed in plenary, will deter investments required to implement the European ceramic industry’s carbon neutral roadmap to 2050.

The EP Environment Committee (ENVI) voted on 17 May on the report of MEP Liese on the EU ETS Directive review and on the report of MEP Chahim on the CBAM Proposal. Both reports were adopted.

In the current difficult context of the high gas and electricity prices crises in Europe as well as significantly increased carbon price, the ceramic industry needs a stable regulatory framework on decarbonisation. Unfortunately, *“the ENVI Committee vote in the European Parliament delivers exactly the opposite effect”* – says Renaud Batier, Cerame-Unie’s Director General.

On the **ETS Directive review** the Committee agreed to increase the level of ambition in emission reductions to 67% from the 61% proposed by the Commission. Such an increase will be connected with further increasing carbon costs for the ceramic industry and limiting the capacity of the industry in decarbonisation investments. Our concern is also related to the increase of the benchmarks reduction rates (maintaining the increase of the higher update rate at 2,5% proposed by the European Commission), which ultimately means significantly less carbon leakage protection even for the 10% best performers in the ceramic industry among the 1200 ceramic installations covered by the ETS. Moreover, the ENVI Committee proposes a very complex system of free allocation conditionality. As the system of ETS benchmarks already gives in itself an “incentive” towards emission reductions, any additional conditionality should be removed as it is not justified and will make the administrative burden for small emitters, the majority of ceramic installations in ETS, simply unbearable. In that respect, it is regrettable that the ENVI Committee rejected amendments proposed by various MEPs to extend to installations below 50.000tCO₂/year the possibility to opt-out from the ETS to the benefit of “national equivalent schemes”, less administratively burdensome and more predictable.

On the **CBAM**, the ENVI report proposes to extend the scope of CBAM to all ETS sectors by 2030 with a delegated act. This proposal is of high concern to the ceramic industry, which is not included in the initial Commission proposal on CBAM. Any CBAM extension must be preceded with an in-depth impact assessment with the consultation of interested sectors and in a co-decision procedure. CBAM may not be a solution for all sectors, particularly due to their heterogeneity, to protect them from carbon leakage.

For the ceramic industry, *“the vote in the ENVI Committee corresponds to a punitive environmental policy without any reward for the best performers and simply encouraging them to reduce production in Europe. It means a weakening of our competitiveness (even more so for exports), less predictability, more volatility in carbon prices and more complexity even for the small emitters”* concludes Alain Delcourt, Cerame-Unie President.

The Ceramic industry has just recently published its updated Roadmap to 2050, which shows the industry’s pathway to carbon neutrality by 2050. It is available [here](#).

The European ceramic industry covers a wide range of products including abrasives, bricks & roof tiles, clay pipes, wall & floor tiles, refractories, sanitaryware, table- & ornamentalware, technical ceramics, expanded clay and flower pots. The industry generates over 200,000 direct jobs and a production value of €26 billion in the EU.

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