Brussels, 13 October 2016



CEFS welcomes the EU Parliament's ITRE Committee vote on the revision of the EU ETS.

CEFS welcomes the results of today's vote on the report of rapporteur Federley as the opinion for the revision of the EU ETS Directive¹.

The vote was supported by a significant majority of 45 MEPs which shows full support for the proposal. In particular, **CEFS fully supports the ITRE Committee's adoption** of the **Commission's in/out approach on carbon leakage**.

CEFS supports the Commission's "in/out" approach because the combination of:

- o The economic burden from a possible tiered approach,
- o The free trade agreements on sugar,
- o The absence of an international carbon market and
- o The liberalisation of the EU sugar market

will cause the lack of a level-playing field hence the EU sugar sector runs the risk of sugar production moving outside Europe (i.e. carbon leakage). Carbon leakage protection must be set at the highest level allowing the European sugar industry to compete on an international level while investing in low-carbon forms of energy and traditionally in high efficient technologies. The EU sugar industry has been using high efficient Combined Heat and Power (CHP) systems in the production process long before 1990 and has nevertheless achieved further significant abatements of CO₂ emissions during the last 25 years.

We would hope that the upcoming vote in the ENVI Committee would build on the results of the ITRE Committee as it is definitely a step in the right direction, including a reasonable allocation for self-consumed electricity produced by CHP.

The ENVI Committee should support the position of the ITRE Committee that all sectors on the carbon leakage list should receive 100% free allowances, in line with the Commission proposal.

You can find the CEFS position paper on EU ETS here

About CEFS:

CEFS founded in 1953, represents all European sugar producers and cane sugar refiner, covering sugar production in 21 EU Countries (Austria, Bulgaria, Belgium, Croatia, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Lithuania, Portugal, Romania, the Netherlands, Poland, Slovakia, Spain, Sweden and the United Kingdom plus Switzerland

¹ <u>Commission proposal for a Directive amending Directive 2003/87/EC to enhance cost-effective emission</u> reductions and low carbon investments