

---

## EU announces list of industry sectors prone to carbon leakage

Thursday, 12 Nov, 2009

The revised EU emissions trading directive (2009/29/EC) foresees the establishment of a list of industry sectors which are exposed to a risk of carbon leakage (de location of production and CO<sub>2</sub> outside the EU) and which therefore will continue to receive CO<sub>2</sub> allowances free of charge during the third emissions trading period from 2013 to 2020.

On September 18th 2009, the European Commission's draft list was adopted by the EU Committee on Climate Change. The committee is composed of experts of the EU member states and chaired by the Commission. The main activities of the European steel industry have been identified as being at risk of carbon leakage.

Following steel industry activity identified as being at risk of carbon leakage:

1. Iron, steel and ferroalloys making
2. Steel tube making
3. Cast iron tube making
4. Cold drawing of bars
5. Mining of iron ore (sinter, pellets)
6. Manufacturing of coke oven products

Most of the EU steel industry's CO<sub>2</sub> emissions are covered by the above sectors. Several other steel sectors did not qualify after the assessment made by the Commission:

1. Cold rolling or narrow strips of steel
2. Cold rolling or folding of steel
3. Steel wire drawing
4. Casting of steel
5. Forging of metals

If within three months neither the Council nor the European Parliament puts forward a veto, the Commission will finally adopt the carbon leakage list. However, each year additional sectors or sub sectors can be added. In 2014 a revision of the entire list is foreseen.

The amount of free allowances for those sectors will be based on ambitious benchmarks so that only the best performers will receive 100% of their needs the average performance of the 10% most efficient installations in a sector.

(Sourced from [www.europa.eu](http://www.europa.eu))

For more news visit at [www.steelguru.com](http://www.steelguru.com)