

Identifying sectors deemed to be exposed to a significant risk of carbon leakage

Progress since the last stakeholder meeting

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European Commission
Enterprise and Industry

What has been analysed?

Sectors are understood as NACE sectors.

NACE Rev. 1.1 is used due to reference period

Data has been obtained for all sectors at 4-digit level and therefore analysis has been undertaken at this level

For some sectors where specific sub-sectors' trade intensity or CO2 cost would be masked by aggregation, analysis at a more disaggregated level has been undertaken (PRODCOM 6-digit or 8-digit level)

What was the reference period ?

- Trade: 2005-2007 / 2004-2006 / 2006-2007

	2004	2005	2006	2007
Turnover	SBS COMEXT	SBS COMEXT	SBS COMEXT	COMEXT
Exports	COMEXT	COMEXT	COMEXT	COMEXT
Imports	COMEXT	COMEXT	COMEXT	COMEXT

- Cost increase: 2005-2006

	2004	2005	2006	2007
GVA	SBS	SBS	SBS	
Direct CO2	MS	CITL MS	CITL MS	CITL MS
Indirect CO2	MS	MS	MS	MS

Trade Intensity (TI)

- EU27 Turnover

Mainstream – Annual Production sold in COMEXT 2005-2007

If not available – SBS Turnover

- Exports and imports from third countries

Mainstream – Extra EU27 X and M from the Annual Production sold domain in COMEXT 2005-2007

If not available – EU27 SINCE 1999 CN (SIMULATED) 2005-2007

Trade Intensity (TI)

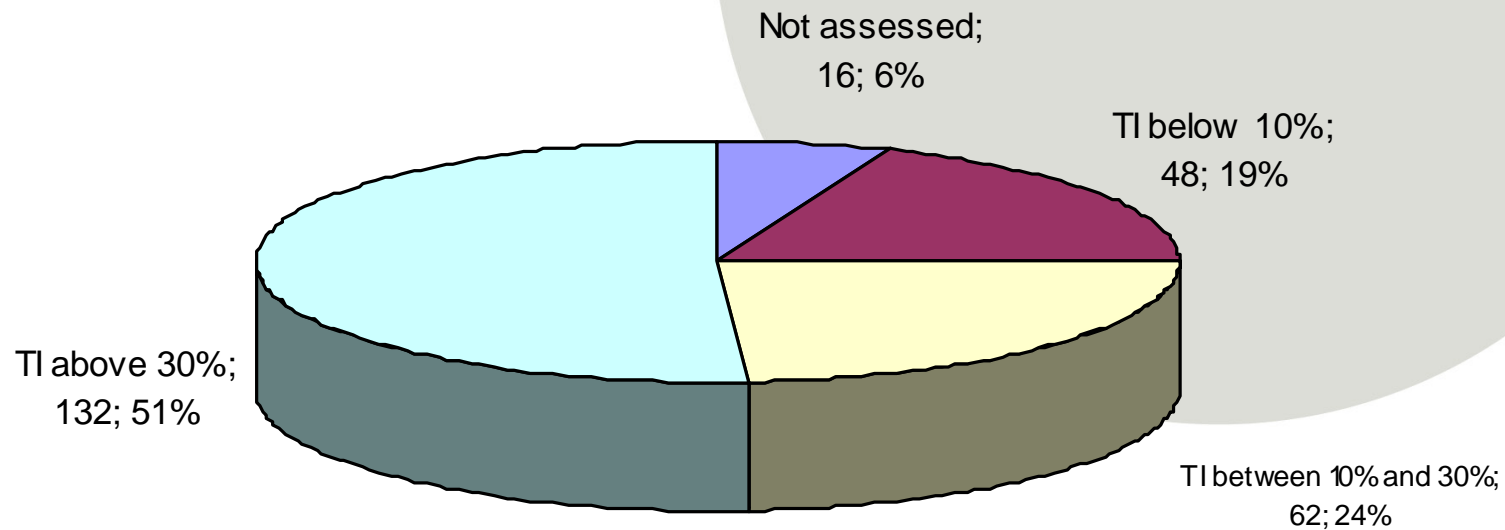
- **Exceptions**

4-digit sectors for which no trade is reported have been analysed at 3-digit level.

Some sectors cannot be assessed under this criterion due to lack of data

Trade Intensity (TI)

- Summary of obtained results:



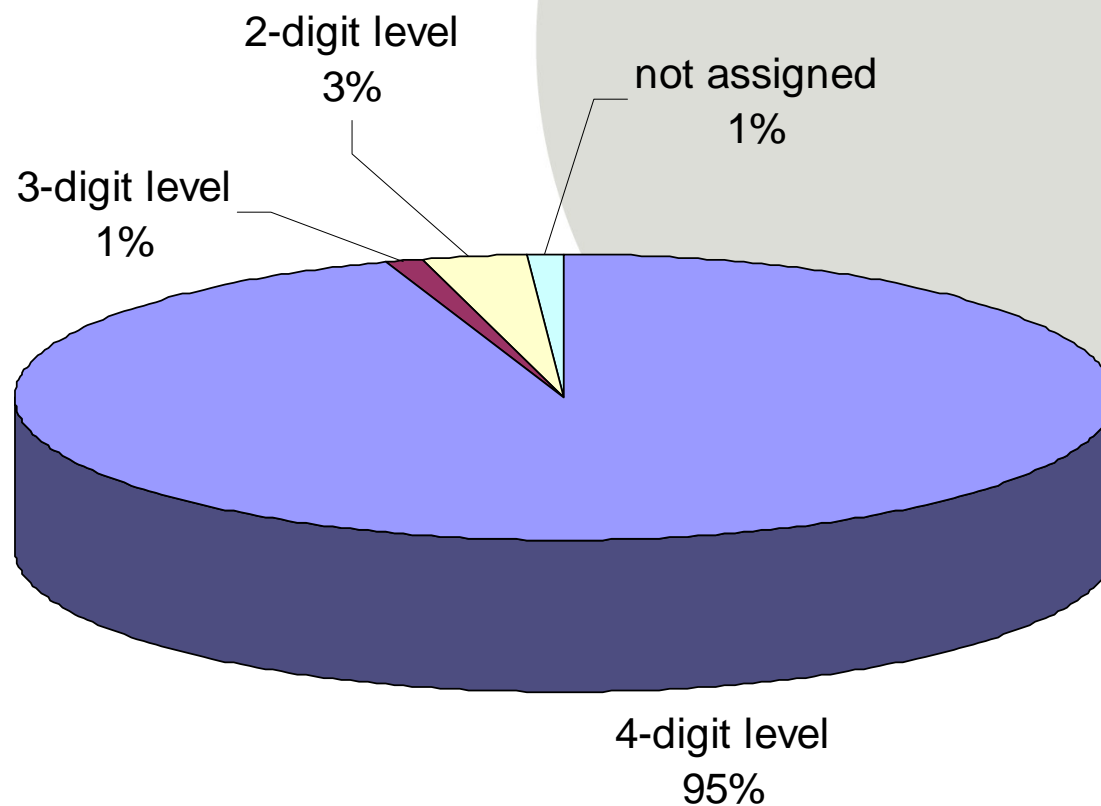
CO₂ cost increase: Direct Emissions in CITL

Matching of installations and their emissions with NACE sectors

Emissions and GVA of an installation have been allocated to the same NACE sector

Results of the matching process not 100% complete but emissions not matched do not impact on the position of any given sector relative to thresholds.

Assignment of CITL emissions and installations to sectors



Data Sources other than CITL:

Member State reporting and Process Emissions from Greenhouse Gas Inventories

- Direct CO₂ emissions, fuel consumption, (limited) process emissions data and electricity consumption reported by Member States
- Process emissions data from the European Community's greenhouse gas inventory.

The Rationale for Using Member State Data for Direct Emissions

- CITL data is not suitable for all sectors -

- Sectors entering the scope of the EU-ETS only as of 2013.
- Sectors with a substantial number of small installations that are not included in the scope of the EU-ETS or sectors concerned by "opt-outs" or temporary exclusions.
- Sectors which had no emissions identified in CITL but for which MS had reported emissions the MS data has been used to determine their direct emissions.

Confidentiality

- **Addressed how?**
Response to confidentiality concern: EUROSTAT received encrypted, confidential data and processed it.
- **Applicable when?**
 - Data for a sector is treated as confidential in line with relevant regulation on processing of statistical data.
 - Confidential already if one of the parameters (direct cost, indirect cost or GVA) is confidential (otherwise estimate of other confidential parameters possible).
- **Presented how?**
 - “Confidential data” indicated relative to the threshold, i.e. as <5%, >5% <30%, or >30%.

Representativity

- Data was provided by all member states, except for Cyprus, Malta, Luxemburg, Estonia, Greece, and Hungary
- Measure of representativity of available data: GVA of member states that delivered data for a given sector divided by total EU-27 GVA for that same sector.
- Average representativity for sectors where MS data was used, is >66%.

Process emissions I

- Most MS did not report process emissions data
 - European Community's greenhouse gas inventory (inventory 2005 and 2006, submission 2008 v1.1).
- The relevant greenhouse gases for the purpose of this directive are CO₂, N₂O and PFC

Process Emissions II: activities, sectors, gases

Process Emissions – average for years 2005 and 2006		CO ₂	N ₂ O	PFC
Activity specified in the Inventory	Nace-4 code	- CO ₂ equivalents (1000 t) -		
A. Mineral Products				
Soda Ash Production and Use	24.13	x		
B. Chemical Industry				
Ammonia Production	24.15	x	x	
Nitric Acid Production	24.15		x	
Adipic Acid Production	24.14	x	x	
Carbide Production	24.66	x		
C. Metal Production				
Aluminium Production	27.42	x		x

- **Data Source:** TABLE 2(I) SECTORAL REPORT FOR INDUSTRIAL PROCESSES, Inventory 2005 and 2005, Submission 2008 v1.1, http://www.eea.europa.eu/publications/technical_report_2008_6

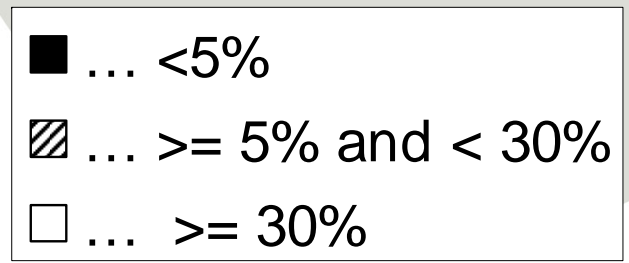
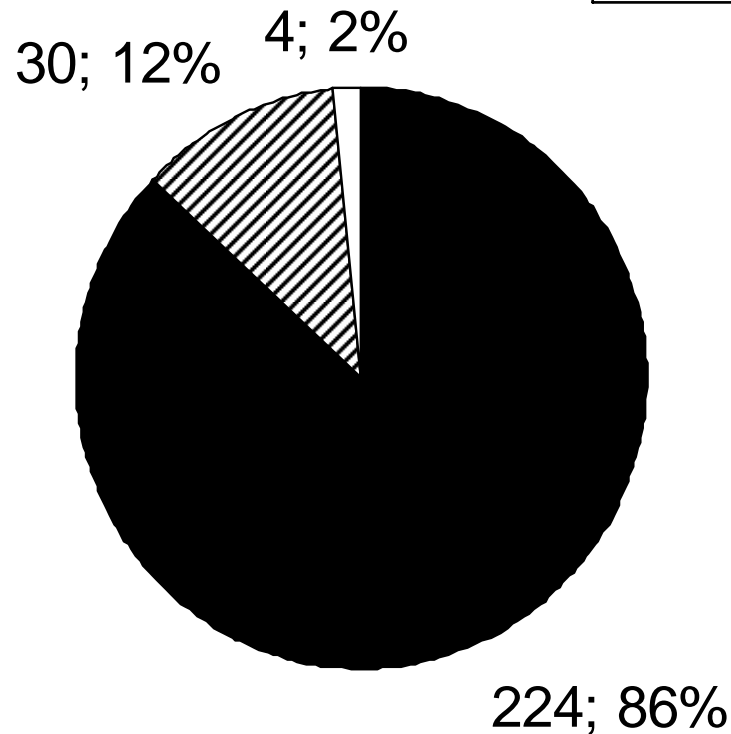
Indirect emissions

- **Data source:** not covered by CITL and not available at EUROSTAT → MS data.
- **Representativity:** based on the GVA of member states that delivered data for a given sector, divided by total EU-27 GVA for that same sector.

Data representativity – Share of EU-27 GVA...	Number of NACE4 sectors	%
...<33%	47	18
...>33% and < 66%	165	64
...>66%	46	18

Results

	Total CO2 cost over GVA...			
	... <5%	... >= 5% and < 30%	... >= 30%	Total
No. of Sectors	224	30	4	258



Sectors and their CO2 cost relative to the thresholds:
no. of sectors and percentage

Obtaining the results of this assessment would have been impossible without the collaboration of:

DG ENTR colleagues (Directorates F & G)

EUROSTAT (Mr. E. Pongas; Ms. P. Sneijers and Mr. B. Williams)

Member States

Industry Associations and individual members

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