

Free allowances

Headway has been made with national governments in recognising industry's view that performance-based free emission allowances should be awarded to companies that run the risk of seeing production relocated to countries where standards are less onerous – a process known as “carbon leakage.” These allowances would prevent damaging these companies' ability to compete globally.

Progress has also been made in developing the benchmarking methodology for free allowances. But more progress is required on the European advocacy front to ensure a workable and efficient future Emissions Trading System that serves its purpose.

This is why much effort is being made to ensure full recognition that the chemical industry is an exposed, energy-intensive sector and that we have specific competitiveness concerns.

Specific needs

Speaking with one voice as an industry – be it through Cefic or national or sectoral associations – is critical for the industry in this major advocacy effort, both in the EU and on the global stage.

Representing an energy-intensive industry, Cefic fully supports the wider use of carbon-neutral and renewable energy sources. The promotion of renewable energy, however, must be cost-efficient and take into account the specific needs of the chemical industry. There must be provisions for exemptions to alleviate the cost burden on energy-intensive businesses and measures that take into account the specific raw-material needs for certain chemical products.

Greater penetration of renewable energy requires increased openness and competition in the EU energy market. Cefic continues to advocate the unbundling of production and distribution both as a way to increase the share of renewable energy and to lower prices.

Biofuels from the deep

Algae have long been used as food and to make fertilizers, cosmetics and even cleaning agents. Scientists are now conducting research into growing and transforming algae into biofuel or renewable chemical feedstock.