

Brussels, 15 December 2016

### **PFP welcome the European Parliament's ENVI Committee vote on the approach for post 2020 EU ETS Carbon Leakage protection**

Today 15 December, the ENVI (Environment, public health and food safety) Committee of the European Parliament adopted its report on the revision of the EU ETS Directive<sup>1</sup>.

Primary Food Processors (PFP) welcome the outcome of today's ENVI Committee vote. PFP support the report of the ENVI Committee which proposes that all sectors on the carbon leakage list should receive 100% free allowances.

Until an international carbon market is agreed upon and implemented, proper carbon leakage measures must remain in place to protect the EU industry. PFP sectors process around 220 millions tonnes of agriculture raw materials per year, most of them EU grown. PFP industries represent 120 000 direct jobs in the EU, while offering a stable outlet for at least 1 million EU farmers, often in remote rural areas<sup>2</sup>. Proper carbon leakage protection not only avoids carbon leakage taking place but also contributes to the European Commission's ambition for a European Industrial Renaissance. It also has additional benefits, such as stabilising and hence not increasing the price of EU-produced food, thus contributing to EU food security.

It is also very positive to see that members of the ENVI Committee agreed to have a harmonized framework for the compensation of the EU ETS indirect costs. This will provide a level playing field for EU installations covered by the EU ETS.

PFP now look forward to seeing the Plenary confirming the aforementioned results at its vote expected to take place in February 2017.

Please find [here](#) the PFP position on the revision of the EU ETS Directive.

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<sup>1</sup> [Commission proposal for a Directive amending Directive 2003/87/EC to enhance cost-effective emission reductions and low carbon investments](#)

<sup>2</sup> [LEI Wageningen UR Report: "Primary Food Processing, cornerstone of plant-based food production and the bio-economy in Europe"](#)