



October 2021

EU Green Deal – Revision of the Energy Taxation Directive

Joint Industry Position

Policy Amendment Request: Keep mineralogical processes outside the scope of the Energy Taxation Directive, by including them in the list of exemptions to which the Directive shall not apply, as per Article 3.1 (b).

We, the undersigned associations acknowledge the publication of the Fit for 55 Package as the most significant cluster of measures the EU has ever published at the same time, to achieve the same goal, namely the EU carbon neutrality by 2050. It is our firm conviction that these measures should set up the basis of a coherent, achievable environmental and socio-economic policy framework allowing the implementation of most efficient measures to reduce greenhouse gas emissions while ensuring that long-term goals, as well as the international competitiveness of EU industry is not undermined.

Nevertheless, the undersigned associations would like to raise a concern with regards to Article 3(1) of the Energy Taxation Directive proposal, where the current tax exemption for mineralogical processes has been removed from both the article itself as well as from the preamble. In this context, we request the EU to retain the tax exemption for mineralogical process in the directive for the following reasons:

The Energy Taxation Directive should avoid overlap with other EU measures such as ETS or CBAM while ensuring the legal certainty, long-term goals as well as the international competitiveness of the industry. The level of GHG reduction requested through the ETS directive (-61% between 2005 and 2030) combined with the continuous increase in carbon prices (~60€/t in 2021) are already adding huge costs to the industry. In this respect, imposing new set of limitations in the energy tax proposal to achieve the same decarbonisation target could be highly detrimental for sectors which need to invest at the same time into their energy transition. The scrapping of several electricity levies, subsidies, or additional taxes, which would result in counter-productive effects for the EU climate goals, should be avoided. They should not be proposed without a thorough sectoral and national impact assessment. Alignment of taxation of energy products and electricity with EU energy and climate policies should only be done after a careful consideration of regional and national level potential.

Including mineralogical processes in the scope of the Directive would lead to a severe cost burden for the industry. Increasing the cost burden on selected industrial sectors will hinder not only the capital-intensive investments into new low-carbon technologies but also the achievement of the Fit for 55 Package main objectives.



To reach carbon neutrality in the manufacturing of mineralogical products, European manufacturers must deploy massive and long-term efforts (R&D, process innovation, investments etc.), which require predictable and coherent framework conditions. As the industry moves towards decarbonization, increased electrification will become the main energy source to achieve a climate neutral production. Excluding mineralogical processes from the exemption list would therefore not only increase production costs for conventional production technologies but also severely undermine future low-carbon processes. Furthermore, even if the energy and trade intensity as well as the carbon leakage status of the mineralogical industry have already been acknowledged in the ETS Directive, the industry is already confronted with the fact that several mineralogical industrial sectors are not compensated for indirect carbon costs associated to electricity. In addition, the EU Commission plans to increase electricity costs for several mineralogical sectors by drastically cutting reductions on electricity levies through the EU state aid guidelines on Climate, Environment and Energy.

Additional expenses would lead not only to a carbon but also an investment leakage, fewer jobs, less production, and less innovation.

Including mineralogical process in the scope of the Directive will distort the level playing field in the single market. Like the chemical, electrolytic and metallurgical processes, mineralogical processes are currently exempted from the scope of the EU Energy Taxation Directive (ETD). Removing the mineralogical processes from the exemption list, while keeping other processes would lead to a severe disruption in the level playing field among EU industries. The competitiveness of European manufacturers has already been exposed to severe pressure deriving from non-EU imports and even dumping and the current proposed amendment would only increase this burden.

The criteria and methodology based on which the mineralogical processes have been excluded from the exemption list are missing from both the revised directive as well as from the Impact Assessment accompanying it. It is unclear and therefore, uncertain which processes will continue to be covered by the tax exemption. Even more, the ETD does not define further those exceptions nor provide any detailed definitions or list of chemical reduction, electrolytic, metallurgical, and mineralogical processes.



About CEMBUREAU

The European Cement Association based in Brussels is the representative organisation of the cement industry in Europe. Currently, its Full Members are the national cement industry associations and cement companies of the European Union (except for Malta and Slovakia) plus Norway, Switzerland, Turkey and the United Kingdom. Croatia and Serbia are Associate Members of CEMBUREAU. Cooperation agreements have been concluded with Vassiliko Cement in Cyprus and UKRCEMENT in Ukraine.

The Association acts as spokesperson for the cement industry before the EU institutions and other public authorities and communicates the industry's views on all issues and policy developments regarding technical, environmental, energy, employee health and safety and sustainability issues.

About Cerame-Unie

Cerame-Unie is the European Ceramic Industry Association, representing interests of all major European ceramic producers. The EU Ceramic Industry is a world leader in producing value added, uniquely designed, high quality ceramic products manufactured by flexible and innovative companies, the majority of which are SMEs. The ceramics industry represents an annual production value of around €30 billion, accounting for approximately 25% of the global production, and over 200,000 direct jobs throughout the EU.

The major producing countries in the EU are Italy, Germany, Spain, France, the UK, Portugal and Austria. Production is also strong in the Czech Republic, Poland, and Hungary, all of which have growing and dynamic ceramic sectors that traditionally export to other EU countries.

The EU Ceramic Industry is export-oriented with 30% of its production sold outside the EU market. It is competitive, both domestically and internationally.

About the European Carbon and Graphite Association (ECGA)

The European Carbon and Graphite Association (ECGA) represents European carbon and graphite producers, the activities concerned are those under PRODCOM code 23.99.14 which covers the most energy intensive but also the most critical activities in the sector.

The European carbon and graphite producing sector is mainly concentrated in eight European Economic Area (EEA) Member States (Spain, Norway, Austria, Poland, France, Germany, the United Kingdom and Slovakia) but trading activities are present all over Europe. It is a multimillion 'added value' generating sector, with a worldwide turnover volume of €3 to 5 billion annually. Roughly 40,000 people are employed either directly or indirectly through this industry. Standing at the beginning of most value chains, the sector is a critical supplier of essential materials and products in other key economic sectors including electronics, steel and batteries. The carbon and graphite sector therefore generate added value and growth through employment, economic growth, development, innovation and generating trade.



About the European Insulation Manufacturers Association (Eurima)

Eurima is the European Insulation Manufacturers Association, representing the interests of all major European mineral wool insulation producers.

Our industry members produce a wide range of mineral wool products for thermal and acoustic insulation, providing fire protection of domestic and commercial buildings and industrial facilities while offering innovative growing media and green-roofing solutions.

We are a science and research-driven organisation, communicating the benefits of mineral wool insulation while assisting our members in fields such as product standardisation and EU-focused issue monitoring and management, helping them to stay informed and contribute to EU affairs relevant to mineral wool insulation products and the industry's licence-to-operate.

About EuLA

The European Lime Association supports realising the vision of the lime sector. It exists to defend the interests of the European lime producers at a European level and support its members to their national objectives driven by a unique voice.

Lime is an essential but often unseen ingredient, which possesses many applications for downstream industries. As a strong "enabler", lime is used from steel to water treatment and pharmaceuticals, environmental protection, glass and paper industrial processes, in the construction and civil engineering and in agriculture. EuLA is a member of IMA-Europe (Industrial Minerals Association Europe).

About the European Expanded Clay Association (EXCA)

The European Expanded Clay Association (EXCA) represents the interests of all major expanded clay producers throughout Europe. Expanded clay is a natural, light and durable material, widely used in construction and as a growing media all over Europe. EXCA represents 90% of the European expanded clay industry

About Glass Alliance Europe

Glass Alliance Europe is the European Alliance of Glass Industries. It has the unique feature of regrouping all the glass industries to work on common issues. It is composed of 13 national glass associations and of the 5 main sectors of the glass industries: container glass, flat glass, special glass, domestic glass and continuous filament glass fibres.

These sectors are very different, be it in terms of manufacturing process, products, markets, economics of the sectors and manufacturers but they all have in common to transform raw materials into glass by a process of melting.

In addition, thanks to the unlimited opportunities offered by the glass substance, all sectors are characterized by heavy investments in research and development to make available glass products fit for a sustainable, resource-efficient, low-carbon and culturally vibrant European society



In 2020, the glass industry represented an annual production of 35.8 million tonnes and employed 186,000 people (incl. processors).

About IMA-Europe

IMA-Europe is the decisive EU voice of industrial minerals producers and importers. Our mission is to contribute to the development of a thriving industrial minerals industry at the heart of a sustainable Europe.

IMA-Europe helps the industrial minerals sector to continuously improve its performance and enhance its reputation by tackling issues relating to the properties and safe use of minerals, from their extraction and processing through to the entire value chain. Competitiveness, health and safety at the workplace, environmental performance, product safety, and awareness about the importance of industrial minerals for society are at the core of IMA-Europe's priorities.