

**Question for written answer E-002070/2016**  
**to the Commission**  
Rule 130  
**Siôn Simon (S&D)**

Subject: Ceramics industry - social costs of carbon leakage

As mentioned in a previous question, we are about to enter Phase IV of the EU Emissions Trading Scheme (EUETS). It is likely that the ceramics industry will not be entitled to as many allowances as before, and this will place considerable financial pressure on the industry. This will cause what is known as 'carbon leakage', where production may be relocated to areas where manufacturing is cheaper, and is a likely consequence of the transition to the next phase of the EUETS. The ceramics industry is particularly large in my constituency compared to most other areas of the UK and the EU, and large numbers of jobs will be at risk with the rising costs of production of ceramic products.

There is more than an environmental cost to carbon leakage: there is also a social cost, with jobs being put at risk and traditional companies risking being put out of business.

Is the Commission aware of any support that may be given to industries or companies which may be adversely affected by the transition to Phase IV of the EUETS?

What will the Commission do to avoid loss of jobs and ensure the continued operation of companies which have long histories in their areas?