

**Question for written answer E-012541/2013
to the Commission
Rule 117
András Gyürk (PPE)**

Subject: Impact of the cross-sectoral correction factor on the steel industry

Under the emissions trading system (ETS) directive, a cross-sectoral correction factor will apply to the annual free allocation of greenhouse gas emission allowances if the calculated amount of free allocations exceeds the maximum amount of allowances available for the industry. On 5 September 2013, the Commission issued a decision to implement a cross-sectoral correction factor by gradually reducing free allocation to industrial installations by 5.7 % in 2013 to 17.56 % in 2020.

Free allocation based on technically meaningful benchmarks is recognised as the best way to protect the industry against distortive CO₂ costs which could potentially lead to carbon leakage. However, the new decision – which cuts allocation to the industry by an average of 11.8 % over the period 2013-2020 – will have a significant impact on the competitiveness of European industries exposed to global competition, such as the steel industry.

The Commission is currently working on a new energy and climate package for the period after 2020. This process will provide a unique opportunity to adapt the EU ETS so that it best takes into account technological limitations inherent to industrial processes.

1. In the framework of the new energy and climate package, how does the Commission intend to reconcile climate and environment protection goals with the competitiveness of European industries while avoiding the risks of carbon leakage?
2. What actions will the Commission introduce to stop the further relocation of steel production to outside Europe?
3. How will the Commission handle sectoral differences? How will the Commission ensure that 2030 targets are technically and economically achievable for the steel industry?