

PRESS RELEASE

MEP Letter on indirect cost compensations for the ceramic industry

03 April 2023, Brussels – MEP Elisabetta Gualmini together with other 34 Members of the European Parliament has addressed a letter to the Commissioner Margarethe Vestager to ask for the inclusion of ceramics on the list of sectors eligible for the indirect costs compensations under the ETS State Aid Guidelines.

MEP Elisabetta Gualmini, President of the <u>European Parliament Ceramics Forum (EPCF)</u>, has recently addressed a letter to Margarethe Vestager, Executive Vice President of the European Commission and Commissioner for Competition, to request that ceramics are included on the list of sectors benefiting from the compensation of indirect ETS costs. The letter was co-signed by 34 MEPs representing 7 Member States (Italy, Spain, France, Greece, Poland, Portugal, the Czech Republic) and belonging to the different political groups.

The indirect costs linked to the EU ETS emissions trading system, i.e. the carbon costs that are passed on by the electricity producers to the manufacturing companies, impact heavily the sector. They contribute to reduction of the investment capacity of companies, undermine their international competitiveness, put at risk direct and indirect employment in the EU and threaten the European autonomy in the supply of building materials.

In the current ETS State Aid Guidelines of the European Commission, the ceramic sector is not included among the sectors eligible for indirect cost compensations; in other words, it cannot access the compensations that would allow it to proceed with the partial electrification of its production processes and therefore with the green transition sought by the European Commission.

In the letter, the MEPs expressed their concerns for the future of the ceramic industry, consisting of many innovative SMEs, which in total guarantee more than 200,000 direct jobs across Europe. The ceramic industry, already an example of sustainability at the European level, is in fact suffering from the sharp increase in the electricity prices. The energy crisis is not only jeopardizing the competitiveness of the ceramic industry comparing to non-EU producers, but also risks halting the progress of the sector in the broader decarbonisation process, which has already been commenced since years.

The signatory MEPs therefore request that, in the light of the radical changes that have taken place on the energy markets, the ETS State Aid Guidelines (based on data that are no longer representative) are amended as soon as possible so that the ceramic companies can receive partial compensation for the indirect ETS costs sustained and are not pushed to refocus production elsewhere.

The European ceramic industry covers a wide range of products including abrasives, bricks & roof tiles, clay pipes, wall & floor tiles, refractories, sanitaryware, table- & ornamentalware, technical ceramics, expanded clay and flower pots. The industry generates over 200,000 direct jobs and a production value of €31 billion in the EU.

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'The Commission - said Elisabetta Gualmini - must not penalize those who invest in technologies for decarbonisation, energy efficiency and the use of renewable energies, which are considered crucial for tackling climate change and reducing greenhouse gas emissions. We need to ensure that the ecological transition takes place in a balanced and fair way for all sectors: institutions must work together with small and medium-sized enterprises, especially the most innovative ones, without creating unfair competition or distorting the market. Only in this way will it be possible to achieve a zero-emission economy by 2050'.

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