

Brussels, 9 November 2017

PRESS RELEASE

## Fertilizer industry partially taken into account in trialogue agreement on ETS IV

This morning, the trialogue negotiations on ETS phase IV came to a conclusion.

The fertilizer industry has a special position in ETS. It is the sector most exposed to carbon leakage. On top of this, it has limited technical opportunities to further reduce its emissions due to high level of process emissions in ammonia production. At the same time, as shown by a recent Ecofys study in 2017, the fertilizer sector is the only sector among the main industries in shortage of allowances, whereas many other sectors have surpluses covering them well into ETS IV.

“We had brought forward the idea of a tiered correction factor as the fairest solution for all industries. Despite having it reflected in the European Parliament position, it did not survive the negotiations in the trialogue”, explains Jacob Hansen, Director General of Fertilizers Europe. “I regret that.”

“However, I take some comfort from the fact that the result of the trialogue negotiations concedes that some sectors cannot achieve important emission reductions and therefore agreed on a lower automatic benchmark reduction rate of 0.2% yearly, thus implicitly recognizing the physico-chemical limitations of our process” says Jacob Hansen, Director General of Fertilizers Europe.

“We still feel the agreed proposal is not future orientated, as it does not prevent a high correction factor to significantly damage the few very highly exposed energy intensive sectors. To prevent carbon leakage, a clearer differentiation for sectors at very high risk will be required in the future and we call upon legislators to come back to this” said Jacob Hansen.

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