



EUROPEAN COMMISSION

Cabinet of Executive Vice-President Valdis Dombrovskis

Brussels, 19/05/2022

Meeting with Dow


19-05-2022

MINUTES

Meeting participants:

EC: Gints Freimanis (Member of Cabinet Dombrovskis)

Dow: 

 **Art. 4.1 (b)**

Topics: 1) State of play on Carbon Border Adjustment Mechanism; 2) Transition Pathway Initiative on chemicals; 3) Future of hydrogen market in Europe

Minutes of the meeting:

- Operations in NL, UK, in Eastern Europe only smaller operations.
- From a Green Deal perspective the situation is very complex, requires massive investment.
 - o Will construct a circular hydro factory, which converts residual gases into hydro, could reduce carbon footprint by 1.4. bn
 - o Replacing gas turbines with electrical turbines
 - o Electrifying cracker.
- This will become possible but years away. Will require a business climate to make these investments and remain competitive in the industry.
- Invested money in decarbonisation, also regulation to existing products. For these plans we need to earn the money to invest.
- We need carbon capture. In the short term, CCS is a strategic proposal. ES and other countries will need to go ahead. Could be reusable in a GHG free emitting way.
- In terms of CBAM, as free allowance ETS are being wound down, costs will go up. Cannot have cheap imports coming from overseas.
- Important both from investment protection standards and trade.

- No just an outcome that protects from cheap imports, will get us into a trade war.
- Export is not being looked at now. 4 suggestions to make CBAM a better instrument, with the purpose to keep industry competitive
 - o Indirect and direct costs
 - o Whole of value chain
 - o Exports are important
 - o A pragmatic way to implement and enforce.
- In conversations with MS there is a disconnect btw EU level and what MS are ready to implement. MS need to look at:
 - o Export competitiveness
 - o Free allocations
- If not done, carbon leakage is real. Chemical sector is shrinking. We need something that is workable from a trade and from an investment perspective. We want time to look at how this will work, but want to be at the table to help shape it.
- Building an LNG plant Germany, subject to permitting. Onshore.