

Meeting report - Meeting between CEFIC, Fertilizers Europe and DG TAXUD , 16 April 2021

Participants: Gerassimos Thomas, [REDACTED] (DG TAXUD), Jacob Hansen (Fertilizers Europe), Marco Mensink (CEFIC)

On request of CEFIC and Fertilizers Europe, this meeting took place to discuss the upcoming proposal for a CBAM.

Mr Hansen and Mr Mensink gave a presentation on the decarbonisation of the chemical and fertilizer sector. Also, they expressed their expectations and concerns for CBAM, notably concerning its implementation. Key aspects are that the competitiveness of EU businesses need to be maintained, and that administrative costs and complexity need to be minimised. Moreover, they stressed the need for a WTO compatible proposal. Lastly, ETS free allowances should be maintained as long as possible.

DG TAXUD explained the Impact Assessment is ongoing and that several options are considered. DG TAXUD agreed that WTO compatibility is a non-negotiable element of the proposal, which shapes the design of the measure. With this in mind, DG TAXUD stressed that ETS free allowances and CBAM are alternatives as such, but that a transition period of a phase-in/phase-out could be considered.

It was agreed to remain in touch and possibly meet again closer to the finalisation of the proposal.