

Identifying sectors deemed to be exposed to a significant risk of carbon leakage

Indirect CO2 cost calculation and preliminary results

DG ENTR B.1

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European Commission
Enterprise and Industry

Issues

- Approach
 - Data sources
 - Confidentiality
 - Data quality, coverage and gaps
 - Remaining challenges
- Preliminary Results

Approach I/II: data sources/confidentiality

Data request to member states for indirect emissions:

- Electricity consumption in MWh for each sector at NACE 3 level and NACE-4 level.
- Data largely confidential, aggregates for average electricity consumption over GVA received from EUROSTAT
- Working session with EUROSTAT in Luxemburg mid-May

Fallback option for calculation of indirect emissions at NACE-3:

- Use sector specific electricity purchase data available at NACE-3 sectoral level for most Member States in Eurostat
- Divide by average electricity price at MS level from Eurostat
- Use average EU-27 emission factor to get CO2 indirect emissions
- Prices in principle available for different consumption classes, which could be matched with sectors
- Data partly confidential, aggregates for average electricity consumption over GVA received from EUROSTAT
- Working session with EUROSTAT in Luxemburg mid-May

Approach III: Data quality, coverage and gaps (1)

Data request from MS: feedback

- Data received: 18 MS

- AT BG CZ DE DK ES FI FR
IT LT LV NL PT RO SE SI
SK UK

- Electricity data received: 14 MS

- CZ DE DK ES FI FR IT LT NL
PT RO SE SI UK

- Received later and not yet included:

- BE, IE, PL

- Test for completeness:

- Total EU-27 for any given NACE-4: n/a

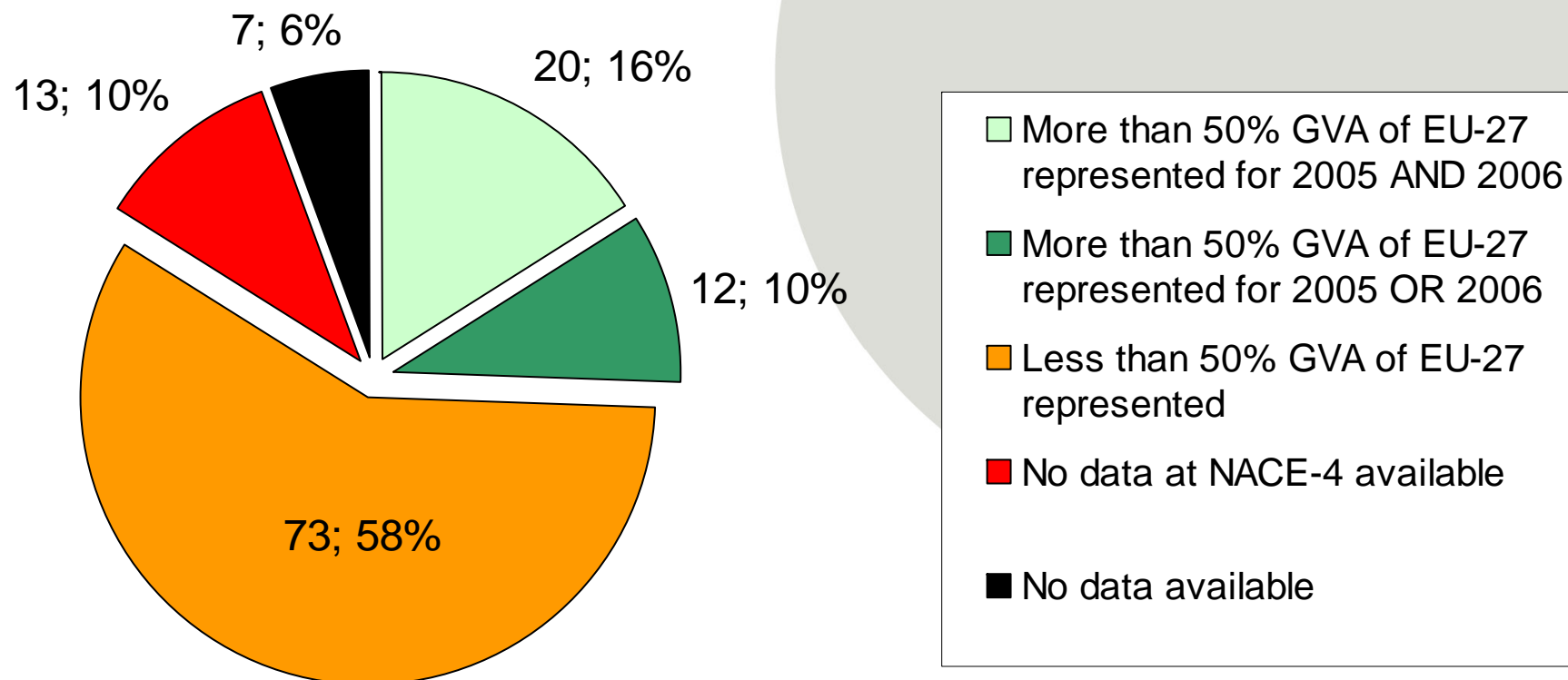
→ GVA of countries for which data was received for a given sector divided by total EU-27 GVA for that sector: %

Approach III: Data quality, coverage and gaps (2)

- Limited coverage
 - For some only 2005 or 2006 data available
 - For some only limited representativity (coverage of GVA of EU-27 of a given sector)
 - For some only NACE-3 data is available
 - For some no data is available
- Quality check of underlying MS data yet to be finalized

Approach III: Data quality, coverage and gaps (3)

NACE-4: Data quality and availability for indirect cost



Note: Percentages refer to the total no. of sectors that are not already over the threshold through trade intensity > 30%: 125 (Grand total: 258)

Approach IV: remaining challenges (1)

Sectors subject to ongoing further scrutiny of electricity data:

1	1562	Manufacture of starches and starch products
2	2415	Manufacture of fertilizers and nitrogen compounds
3	2020	Manufacture of veneer sheets; manufacture of plywood, laminboard, particle board, fibre
4	2416	Manufacture of plastics in primary forms
5	2751	Casting of iron
6	1542	Manufacture of refined oils and fats

Approach IV: remaining challenges (2)

Further assessment, Quality control

- Data sent by MS not complete
- Data of additional MS which has been received in the meantime, to be integrated
- Quality of underlying MS data: to be assessed with EUROSTAT and MS in May
- Some sectors where indirect emissions are most relevant, are being further scrutinized using all available and adequate data sources

Preliminary results

- Sectors that get over 5% CO2 cost due to indirect cost (with trade intensity > 10%)

2112	Manufacture of paper and paperboard
1562	Manufacture of starches and starch products

- Sectors that get over 5% CO2 cost due to indirect cost (but with trade intensity < 10%)

1412	Quarrying of limestone, gypsum and chalk
2640	Manufacture of bricks, tiles and construction products, in baked clay

Sectors that have > 30% trade intensity are not included here.

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