

**Public consultation in preparation of an analytical report  
on the impact of the international climate negotiations  
on the situation of energy intensivesectors**

**1. In your opinion, how have key indicators of the risk of carbon leakage (such as exposure to international trade, carbon prices etc.) for the EU energy intensive industry changed since the adoption of the climate change and energy package implementing the EU's unilateral 20% emission reduction target at the end of 2008?**

The key indicators of the risk of carbon leakage have not changed hence the inulin sector is still an industry exposed to risk of carbon leakage.

Despite the inulin sector benefits of being a subsector of the starch sector, we take this opportunity to highlight the differences between starch and inulin once more.

The inulin industry – if compared to the starch industry - is considerably more energy-intensive and has a much higher export rate. Therefore, we stress again that the inulin sector would require a CL-Status as such.

**2. Do you think that the outcome of Copenhagen, including the Copenhagen Accord and its pledges by relevant competitors of European energy-intensive industry, will translate into additional greenhouse gas emission reductions sufficient to review the list of sectors deemed to be exposed to a significant risk of carbon leakage? If so, how and why?**

The Copenhagen Accord does not represent a sufficient step to review the list of sectors deemed to be exposed to a considerable risk of carbon- and job leakage. The outcome of Copenhagen has shown that the benchmarks need to be set at a level that is achievable by the installations of a sector. The application of more specific disaggregation levels to establish the CL status would allow to better understand which sectors are particularly exposed to a significant risk of carbon leakage.

**3. In your view, what would be a compelling new general economic or other factor which would require a change of the level of free allocation to sectors deemed to be exposed to a significant risk of carbon leakage?**

A reduction of the level of free allocation for the inulin sector must only occur if non-EU inulin producers have comparable burdens. As long as this precondition is not fulfilled, the inulin sector needs to receive its allocation 100% free of charge for the entire third trading period. The provisions under the ETS Directive must not damage the competitiveness of the EU inulin industry.

**4. Do you consider free allocation of allowances as sufficient measure to address the risk of carbon leakage, or do you see a need for alternative or additional measures?**

Free allocation of allowances is not sufficient alone to address the risk of carbon leakage. Alternative and additional measures are needed to compensate energy intensive industries for indirect cost burdens resulting from the implementation of the ETS (such as higher energy prices or costs entailed by the benchmarking process). We hence ask for an impact assessment disclosing the indirect cost burden from the implementation of the ETS Directive for the inulin sector.