EUROGYPSUM
THE VOICE OF THE EUROPEAN GYPSUM INDUSTRY

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ENVIRONMENT AND RAW MATERIAL COMMITTEE

ETS REVIEW-Amendment to the proposal of the Commission amending Directive 2003/87/EC to enhance cost-effective emission reductions and low carbon investments

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Introduction

The European Plaster and Plasterboard Manufacturing Industry is one of **the few fully integrated industries within the construction products field,** covering the whole life-cycle of the product. The companies which extract the mineral "Gypsum" also process it and manufacture the value-added products and systems that are mainly used in construction. Gypsum products are eternally and fully recyclable as they always keep their natural properties after every cycle. Therefore, the plaster and plasterboard industry is constantly striving to recycle products at the end of their life-cycle (demolition waste) and play its part in fulfilling the ambition of the circular economy.

Eurogypsum and ETS

The Plaster and plasterboard industry was specifically included in Annex I of the ETS Directive in 2008 as follows: *"Drying or calcination of gypsum or production of plasterboards and other gypsum products where combustion units with a total rated thermal input exceeding 20MW are operated."*

The manufacture of plaster and plaster products for construction purposes were included in the carbon leakage (CL) list from 2014 after an extensive qualitative assessment. This led to the plaster and plasterboard industry inclusion via Commission Decisions c(2013) 9186 and c(2014) 7809.

Plaster and plasterboard products are used for partitions and the lining of walls, ceilings, roofs and floors. They are also used for the production of self-levelling floor screeds. For those comparable uses, the industry competes with wood panelling, ceramic tiles, concrete, blocks, cement and cement boards.

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Eurogypsum proposes the following amendment to the Directive:

Article 10b-2 – measures to support certain energy-intensive industries in the event of carbon leakage

Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is above 0.18 may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria: (a) the extent to which it is possible for individual installations in the sector or sub-sectors concerned to reduce emission levels or electricity consumption; (b) current and projected market characteristics; (c) profit margins as a potential indicator of long-run investment or relocation decisions.	*Sectors and sub-sectors where the product from multiplying their intensity of trade with third countries by their emission intensity is* ***0.15 or above****,* ***based on public and sector specific data*** *may be included in the group referred to in paragraph 1, on the basis of a qualitative assessment using the following criteria:* *(a) the extent to which it is possible for individual installations in the sector or sub-sectors concerned to reduce emission levels or electricity consumption;* *(b) current and projected market characteristics;* *(c) profit margins as a potential indicator of long-run investment or relocation decisions.*

Justification

Gypsum products are sustainable and typically have a lower carbon footprint than competing products. Therefore, they currently help the construction sector to lower its carbon footprint. As the 2012 and 2014 carbon leakage assessments show, if competing products are granted carbon leakage status, whilst gypsum products are excluded – this distorts the level playing field. This, in turn, potentially disincentivises low carbon solutions within the construction sector. Lowering the index by a small margin to 0.16, allows a limited number of sectors like plaster and plasterboard (which have so far been included in the list), to make a qualitative case for carbon leakage. In addition, it is important to allow the use of sector specific data for the quantitative and qualitative assessments to ensure that issues of data quality and/or representativeness do not act to exclude sectors that may otherwise qualify. This opportunity is essential to help preserve the competitive position of sustainable materials, upon which thousands of jobs depend. The gypsum industry provide 28.000 direct jobs, 300.000 indirect job and work to 1.100.000 plasterboard installers.