CIRFS
European Man-made Fibres Association

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Dear Sir, dear Madam,

CIRFS representing the European Man-made Fibre (MMF) industry is subscribing that actions are needed to avoid climate change, but this should not be at the burden of the industry.
The new Commission has set unemployment and economic growth as highest priority, and should act accordingly, also for ETS 4.

MMF actually have the carbon leakage status (trade) and is also eligible for compensation of higher electricity costs (however only by a couple of Member States).
This compensation in ETS 3 is however not 100% and will further decrease in the new ETS4 proposal;
- The linear reduction factor is increased to 2.2% (was 1.74%), while on top of that CSCF (cross sectoral correction factor) remains in place.
- The maximum compensation is up the benchmark level (for MMF fall-back benchmark) and the benchmark is expected to have improved by 1%/year since 2007. Also this will reduce the compensation substantially, while it is not proven that the benchmark has indeed improved at that speed. This should be verified.

There should be a 100% compensation for the higher cost (direct and indirect) to industry eligible to carbon leakage.
MMF, are operating in a global very competitive market, and the Commission should secure energy supply to industry, at a global competitive price level

Yours sincerely,

Ali Akdag

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