



'Green' Recovery

**EU CBAM Webinar
presented by Werner Betzenbichler**

‘Green’ Recovery

- ✓ Co-Incidence of Launching the Green Deal and Recovery Measures regarding economic Impacts of Covid-19 Pandemic
- ✓ Opportunities and Threats for EU market partners

Climate-related impacts of Covid-19 pandemic

- ✓ Temporary reduction in emissions triggered by economic crisis, but not by any sustainable technology change
- ✓ Early shutdown of some industrial installations
- ✓ Long-lasting changes in social behavior and working methods (tourisms, travelling, home offices ...)
- ✓ New prioritization of policy objectives

'Green' Recovery (2)

EC Communication – 17 Sep 2020 'Stepping up Europe's 2030 climate ambition'

COVID-19 offers a unique opportunity to accelerate the transition to a climate-neutral economy investing in the necessary transformation...

*Next Generation EU and the Multiannual Financial Framework for 2021 – 2027, with their combined weight of over 1.8 trillion euros...
... the EU will continue building on a strong track record of climate action and parallel economic growth.*

*The EU needs to raise its ambitions for this decade now...
... economy-wide greenhouse gas emissions reduction target by 2030 compared to 1990 of at least 55% including emissions and removals*

Clearer and stronger investment signals are urgently needed for today's investment planning and decisions to be coherent with the transition to climate neutrality

Opportunities for EU market partners

- ✓ A benchmarking approach is used for the free allocation of allowances to sectors exposed to carbon leakage
 - ✓ Priority for BAT and low carbon solutions
 - ✓ But also higher demand on basic elements (pipelines, electrical engineering, containers, insulation, smart packaging)
- ✓ Positive effect on economies delivering goods to EU
- ✓ Early adaptation of investment plans to expected availability of new technologies
- ✓ Lower costs for high-end technology caused by higher market penetration rates
- ✓ Reputation gain for products with low carbon footprint

Threats for EU market partners

- ✓ Green recovery may cause additional costs for importers within a shorter timeline
 - ✓ Fast implementation of CBAM
 - ✓ Requirements on product (carbon footprint) certification
- ✓ Burdens in market access for some sectors
- ✓ Risks of speedy decrease in demand of goods / auxiliary equipment of products to be phased out
- ✓ Investments by EU installations mostly triggered by EU finance support → more bureaucracy
- ✓ Reputation loss of carbon-intensive products

Questions?

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