We welcome the proposal for the EU ETS Directive review for the period 2021-2030 presented by the European Commission.\(^1\) However we believe that it is essential to ensure a continued possibility of carbon leakage risk assessment of sectors and sub-sectors at their relevant level of disaggregation.

According to the current drafting only activities at a 4-digit level (NACE-4 code) would be eligible for an assessment. This is specified in the amended article 10b (4). As a consequence, several sectors and sub-sectors would be prevented from a carbon leakage risk assessment possibility in a quantitative manner, due to their statistical grouping (Art. 10b (1)).

This statistical categorisation does not necessarily reflect market realities. Sectors are heterogene and, in our view, this should not prevent sectors and sub-sectors from being appropriately assessed against carbon leakage risks. The current EC proposal would discriminate against those sectors, hamper their competitiveness and lead to business distortions within the EU, without any environmental benefit nor justification.

This is why an assessment possibility at the relevant level of disaggregation must be kept in the next EU ETS phase, in the same way it is currently being applied and to ensure the level playing field.

In view of the above, we propose the following amendment to the EU ETS Directive proposal:

<table>
<thead>
<tr>
<th>Article 10b (4)</th>
<th>Amendment</th>
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</thead>
<tbody>
<tr>
<td>4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.</td>
<td>4. By 31 December 2019, the Commission shall adopt a delegated act for the preceding paragraphs for activities at a 4-digit level (NACE-4 code) or at the relevant level of disaggregation based on public and sector specific data as concerns paragraph 1, in accordance with Article 23, based on data for the three most recent calendar years available.</td>
</tr>
</tbody>
</table>

**Justification**

Certain sectors are currently deemed at risk of carbon leakage due to an assessment at the level of disaggregation relevant for them, i.e. 6 or 8 digit levels. These sectors should continue to have a possibility of an assessment at that level. This change will ensure that subsectors for which NACE-4 is not a relevant level of disaggregation will not be excluded from the actual assessment of risk of carbon leakage.

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