



IMA-Europe communication on the Revision of Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity (ETD)

IMA-Europe acknowledges the European Commission's publication and is notably willing to contribute to the debate for the revision of the ETD.

IMA-Europe welcomes the EC initiative for a revision of the ETD as a way to harmonise the level of energy taxes at EU level. The legislation could contribute to ensure a fair fiscal treatment that the European industrial mineral sector requires to remain a key enabling player in a competitive economic environment. Under the Green Deal context, the initiative has the potential to become a strategic pillar to ensure that climate and environmental policies are aligned under a 2050 climate neutrality horizon. As this concerns taxes, the proposals should continue to be adopted by unanimity in the Council and not move to qualified majority voting as proposed in the roadmap. IMA-Europe recognises the need for an updated ETD as a pillar of the new legislative framework to come, that will set the European Climate & Energy Policy up to 2050.

OUR CALLS

The ETD must not create additional or unnecessary tax burdens. Especially for European companies highly exposed to global competition. Any revision of the current tax rates should be based on robust impact assessments. The European Union, while leading by example, should encourage all international partners to establish similar tools globally.

The ETD must ensure the European industry is adequately protected. For energy-intensive businesses competing globally it is vital to ensure that the current “mineralogical processes” exemption remains. Within these companies, an increase in the energy cost could bring a significant loss of competitiveness in the international markets and increase the risk of carbon leakage. A level playing field within the EU is important to prevent carbon leakage. Even if this level playing field is achieved by ETS companies, still face the challenge to compete with other economic regions. Non-avoidable energy use or emissions shall also be exempted to avoid discrimination within the European internal market.

The ETD shall avoid a double imposed burden for companies. For instance, by recognising the need to avoid double taxation of emissions for installations already operating under other European climate regimes such as the European Emission Trading System (ETS). This will ensure an effective carbon pricing and that a potential revision of the ETD is aligned with the different climate policies applied at EU level. The proposed Green Deal targets are huge, going from 40 % Carbon reduction to 55 % by 2030. An extra pricing/taxation on top of this will for sure lead to carbon leakage.



IMA-Europe is an umbrella organisation which brings together a number of European associations specific to individual minerals: Calcium Carbonates, Dolomite, Andalusite, Bentonite, Borates, Diatomite, Feldspar, Kaolin, Lime, Mica, Plastic Clays, Sepiolite, Attapulgit, Silica and Talc.

Together, IMA-Europe's associations represent over 250 companies in 28 countries and an annual production of above 180 million tons of raw materials essential for a our modern life.

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