PRESS RELEASE

Europe's Energy-Intensive Industries regret EP Industry committee's failure to tackle critical barriers to investment in the post-2030 EU ETS review

Brussels, 19 November 2026 – Today, the Industry, Research and Energy (ITRE) Committee failed to adopt its opinion on the review of the EU Emissions Trading System (ETS). **Europe's energy-intensive industries (EIIs) express deep disappointment for the missed opportunity to address challenges affecting industrial investments, competitiveness, and jobs in Europe**.

What is particularly concerning is not simply the lack of agreement within the EP committee responsible for industrial policy and energy, but the **failure to advance concrete solutions to the challenges facing European industry** while many industry's concerns had been addressed by amendments tabled by ITRE MEPs and the EU has made restoring industrial competitiveness, bringing investment back and securing the future of its energy-intensive industries a strategic priority.

Europe's industrial future is at stake here. **The current Commission's proposal requires a considered and robust revision. All Members of the European Parliament should urgently focus on this crucial reform and ensure that the whole European Parliament takes a clear position in support of a strong industrial base in Europe.** Energy-intensive companies across the continent are suffering from high energy costs, unfair trade practices and geopolitical uncertainty, and need a strong political signal.

Europe's energy-intensive industries therefore call on the European Parliament to ensure that the ETS review:

1. **Does not impose conditionality on free allocation**. Free allocation should remain a carbon leakage protection mechanism and should not be made conditional on investments. The priority should be to create the enabling conditions that allow companies to invest in decarbonisation.
2. **Avoids the triggering of the cross-sectoral correction factor (CSCF) and a steep reduction of free allocation.** According to the Commission's own estimates, free allocation could be reduced by up to 70% by 2040 through the CSCF.
3. **Sets representative benchmarks.** All the parameters impacting the benchmarks should be representative of the decarbonisation transitions of the relevant sectors, taking into account local specificities across the EU.
4. **Delivers an effective CBAM, including for exports**. The phase-out of free allocation for CBAM sectors must be based on a realistic transition pathway, provided that the CBAM is watertight and provides a level playing field also in export markets.
5. **Ensures ETS Revenues are reinvested in Industrial Decarbonisation.** Industrial transformation relies on affordable, reliable low-carbon energy, timely infrastructure deployment, and increased reinvestment of ETS revenues in industrial transformation.

Europe's energy-intensive industries are determined to remain both global leaders in decarbonization and a pillar of Europe's industrial strength. However, this ambition must be matched by a regulatory framework that makes investment in Europe economically viable. We look forward to working constructively with the European Parliament on a final framework that reflects market and technological realities, enables industrial decarbonisation, protects high-quality jobs and strengthens Europe's manufacturing competitiveness.