

[OFFICIAL STATEMENT]

## **ASCAME calls the Mediterranean industry to embrace Carbon Neutrality, in face of the new carbon tax necessary to maintain the exports to EU**

There is no doubt that **emission of greenhouse gases is linked to industrial activity**: the concentration in the atmosphere of carbon dioxide (CO<sub>2</sub>), responsible for nearly 65% of the anthropogenic greenhouse effect, has increased by 47% since 1750.

If most of **the Mediterranean countries are advanced in terms of renewable energies, they can benefit from the new carbon adjustment mechanism** at the borders of the European Union (EU). On condition that all the players play the game.

**The carbon tax, affecting countries outside of the EU, is the EU's new tool to try to achieve its objective of climate neutrality by 2050.** But it is also a means of generating enough to repay the billions of euros of subsidies distributed for the revival of the economies of the old continent, suffocated by the COVID-19 crisis.

This is a Carbon Border Adjustment Mechanism (MACF), included in the Green Pact, which serves as a roadmap for the European Executive. The twenty-seven heads of state and government thus agreed, last July, on this mechanism aimed at "**preventing the EU's efforts to reduce emissions from being neutralized by an increase in emissions outside of Union** that would result from a relocation of production or an increase in imports of products with a higher carbon intensity"—as the draft regulation underlines.

For now, this gives a fairly general indication of the scope of the goods concerned by this measure, which should be deployed from 2023: for the time being, we are talking about families of goods such as concrete, electricity, fertilizers, cast iron, iron, steel and aluminium. This non-tariff barrier applies even to processed products including components of these materials ... So, in other words, **it concerns almost any industrial product coming from outside the EU.**

### **Accompanying measures**

This decarbonisation of the Mediterranean industry remains at the heart of the sustainable development strategy, involving all public and private actors. A vast campaign to **make of general knowledge the carbon footprints of companies** will also be launched.

**ASCAME asks the chambers of commerce and industry to support industrial companies**, in general, **and those exporting to the EU**, in particular, **to assess their carbon footprint**, by quantifying the gas emissions (GHG) generated by their production activities of goods or services, ranging from energy consumption to waste treatment, including transport.

This should lead to the **creation of a certification of the carbon impact on production**, a kind of national standard recognized at European level. And, in order to finance their energy efficiency projects, manufacturers have support formulas that provide almost **full coverage of the investment cost, as well as bonuses and reimbursements linked to integration investments**.

### **Renewable energies**

This carbon neutrality targeted by the Mediterranean industry also involves **the establishment of a Mediterranean carbon market**, allowing companies to offset their emissions. A new financial market with outlines that remain, for the time being, still theoretical.

All of these prerequisites become inevitable in order to obtain the key to continuing to trade with the EU. **This energy transition will also allow the Mediterranean countries to gain credibility with international donors**. For example, the World Bank has just announced its goal to devote 35% of financing, on average, on its 2021-2025 action plan, to projects aiming to produce climate benefits.

This is because the “greening” of the globalized economy is becoming a necessity.