

EN
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Answer given by Mr Hoekstra
on behalf of the European Commission
(14.10.2025)

The Commission has no plans to reduce the scope of emissions covered by EU Emissions Trading System (ETS).

Installations manufacturing fertilisers and nitrogen compounds are protected against carbon leakage: currently by free allocation under the EU ETS and in the future by the Carbon Border Adjustment Mechanism (CBAM).

From 2026, CBAM will gradually place a carbon price on imports of fertilisers, equivalent to the price paid by EU producers under EU ETS. CBAM will be phased in completely (100% of embedded emissions payable) in 2034. In the meantime, for emissions that are not covered by CBAM, installations are eligible for free allowances until 2030 at 100% of the benchmark value (which is based on the emission intensity of the best-performing 10% of installations). The Commission is examining the future of carbon leakage protection beyond 2030 in the ETS review, which is due in the third quarter of 2026.

The Chemicals Action Plan¹ outlines further action that the Commission is taking to modernise and strengthen the competitiveness of the chemicals sector, including a Critical Chemicals Alliance to address risks of production capacity closures, simplification options via the ‘omnibus’ packages, and action to support low-carbon fertilisers derived from hydrogen or bio-based chemicals.

¹ A European Chemicals Industry Action Plan. COM(2025) 530 final.