**\*\*\* Press release: for immediate release \*\*\***

**German companies rolling in spare carbon allowances while carbon market fix hangs in the balance**

As MEPs prepare for a key vote on repairing Europe’s EU Emissions Trading Scheme next Tuesday, a new report released today finds that German manufacturing sectors have accrued spare carbon allowances equivalent to the annual emissions of Austria, while just ten companies have potentially profited by as much as €1.2 billion from the scheme.

In recent months, the EU carbon price has dropped to record lows of less than €5 (down from more than €30 early in 2008), and is feared to crash even further if next week’s vote does is not passed successfully. The positioning of German MEPs and of the German government are crucial to successfully pass current proposals to withhold carbon allowances from auction and revive the carbon price; however German manufacturers have been lobbying aggressively to block these reforms.

Against this backdrop, a new report published by the British climate NGO Sandbag, and Friends of the Earth Germany (BUND) finds that ten companies responsible for around half of Germany’s manufacturing emissions in the EU ETS, will be protected against any rise in the carbon price until 2020, even if their output and emissions return to pre-recession levels.

Sandbag’s Damien Morris, author of the report said:

*“With the EU ETS now carrying some 2 billion spare allowances, the policy that was supposed to be the centerpiece of Europe’s climate efforts now promises to achieve nothing for most of the next decade. As Germany and the UK push ahead with ambitious domestic climate legislation it is essential that they reduce the supply of allowances in the EU ETS in order to protect the integrity of their efforts, and maintain a level playing field for business in Europe. The Parliamentary vote next week is an important first step towards this.”*

Tina Löffelsend, Climate and Energy expert at BUND adds:

*"While German industry  dines out on spare carbon allowances, the Economics Minister Phillip Rösler continues to block the reform of the European emissions trading scheme. Chancellor Merkel must step in to break this stalemate.”*

**ENDS**

The report *Der Klimagoldesel 2013: Carbon Fatcat Companies in Germany* can be found at:

English: <http://www.sandbag.org.uk/site_media/pdfs/reports/Klimagoldesel2013_English_1.pdf>

German: <http://bund.net/pdf/klimagoldesel2013>

**For more information please contact either:**

Damien Morris, Senior Policy Advisor at Sandbag on: +44 791 466 9569 or [damien@sandbag.org.uk](mailto:damien@sandbag.org.uk), or

Tina Löffelsend, BUND Climate and Energy Expert on: +49 30 27586 433 or [tina.loeffelsend@bund.net](mailto:tina.loeffelsend@bund.net)

**German companies with the largest oversupply of free allowances (2008-2011)[[1]](#footnote-1)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Company** | **Surplus for 2008-11[[2]](#footnote-2)** | **Emissions for 2008-11** | **Free allowances as**  **% of emissions** | **Offsets surrendered 2008-2011[[3]](#footnote-3)** | **Combined revenue potential over 2008-2011[[4]](#footnote-4)** |
| ArcelorMittal | 19,440,195 | 18,037,399 | 208% | 4,327,103 | € 313,875,675 |
| ROGESA | 9,715,560 | 17,553,323 | 155% | 4,929,235 | € 170,075,559 |
| Salzgitter | 9,442,356 | 28,902,024 | 133% | 8,289,705 | € 175,331,769 |
| ThyssenKrupp | 8,967,829 | 62,502,246 | 114% | 12,743,816 | € 189,831,422 |
| BASF | 3,863,408 | 21,593,299 | 118% | 2,468,999 | € 71,721,819 |
| Rheinkalk (Lhoist) | 3,817,020 | 12,488,192 | 131% | 366,854 | € 60,191,001 |
| HKM | 3,673,549 | 17,175,952 | 120% | 4,711,000 | € 75,806,810 |
| Stadtwerke München | 2,900,217 | 13,338,789 | 122% | 1,461,072 | € 49,044,365 |
| Hestya | 2,460,483 | 1,738,073 | 242% | 498,653 | € 40,431,302 |
| Dow Chemical | 2,343,310 | 7,657,877 | 131% | 2,077,547 | € 43,245,536 |
| **Total for top ten** | **66,623,927** | **200,987,174** | **133%** | **41,873,984** | **€ 1,189,555,257** |

1. Source: EUTL and Sandbag Company Database [↑](#footnote-ref-1)
2. Surpluses and free allowances have been adjusted for known waste gases transfers [↑](#footnote-ref-2)
3. Includes CERs and ERUs [↑](#footnote-ref-3)
4. Assuming 2008-2011 average EUA price of €15.50, average CER-EUA spread of €2.80 and average ERU-EUA spread of €5. Prices taken from average closing prices as listed in [www.bluenext.eu](http://www.bluenext.eu) (website now closed) [↑](#footnote-ref-4)