

## Industrial Carbon Management: FuelsEurope calls for an ambitious and pragmatic approach

**Brussels 6 February 2024:** FuelsEurope welcomes the European Commission's Communication and calls for an ambitious and pragmatic approach to Industrial Carbon Management, which should carefully address the affordability and the societal aspects deriving from its proposals, and provide effective incentives to the full value chain, by designing a framework in close consultation with all relevant stakeholders.

FuelsEurope, the Association of EU manufacturers of fuels and products, welcomes the European Commission's efforts to adopt an ambitious Industrial Carbon Management Communication for the European Union, to implement a comprehensive approach to address all aspects of capturing emissions, encompassing the removal of CO<sub>2</sub> from the atmosphere, the transport of CO<sub>2</sub> and the use or storage of captured CO<sub>2</sub>.

Liana Gouta, FuelsEurope Director General underlined: *"Carbon capture, utilisation and storage represents an array of solutions essential for achieving the EU's climate and energy ambitions, of reaching carbon neutrality by 2050."*

Liana Gouta added *"Nevertheless, as acknowledged by the Commission Communication, CCUS projects are costly and existing funding mechanisms, such as the EU ETS Innovation Fund, are far from being sufficient to incentivise the large-scale deployment of CCUS projects and ensure the profitability of such projects. Significant investments will be needed to build a market catering for the development of CCS, CCU and Industrial Carbon Removals."*

Therefore, together with a quantification of the investments required for the large-scale deployment of industrial carbon management solutions, a careful analysis is needed regarding the feasibility of the business case to close the gap between the costs of investments and the incentive provided by the carbon price and ensure a commercially viable market. Moreover, a comprehensive Strategy on Industrial Carbon Management should carefully address the societal aspects deriving from its deployment, reflecting on its overall affordability and the costs for society.

The Communication rightly stresses the importance of synthetic fuels produced with captured CO<sub>2</sub>, as it represents another aspect of an industrial carbon management value chain which embodies the principle of circular economy

Liana Gouta commented: *"A strong Industrial Carbon Management Strategy should also keep effectively incentivising the full value chain. To provide such an efficient and effective incentive, discussions on this framework should involve all stakeholders active in the field of Carbon Capture, Usage and Storage."*

FuelsEurope is committed to engaging in a constructive dialogue with the EU Institutions, contributing to the development of an ambitious and comprehensive approach to create an enabling environment to develop and scale-up industrial carbon management

approaches, as an essential factor to achieve climate neutrality.

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FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents with the EU institutions the interest of 40 companies manufacturing and distributing liquid fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

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