

The importance of carbon intensive sectors and their specific mitigation options

**Korea Environment Institute (KEI) / DIW Berlin /
Climate Strategies (CS) Workshop**

**» Experience with Emission Benchmarks – Options
for International Coordination «**

Felix Chr. Matthes

Seoul, 2 October 2015

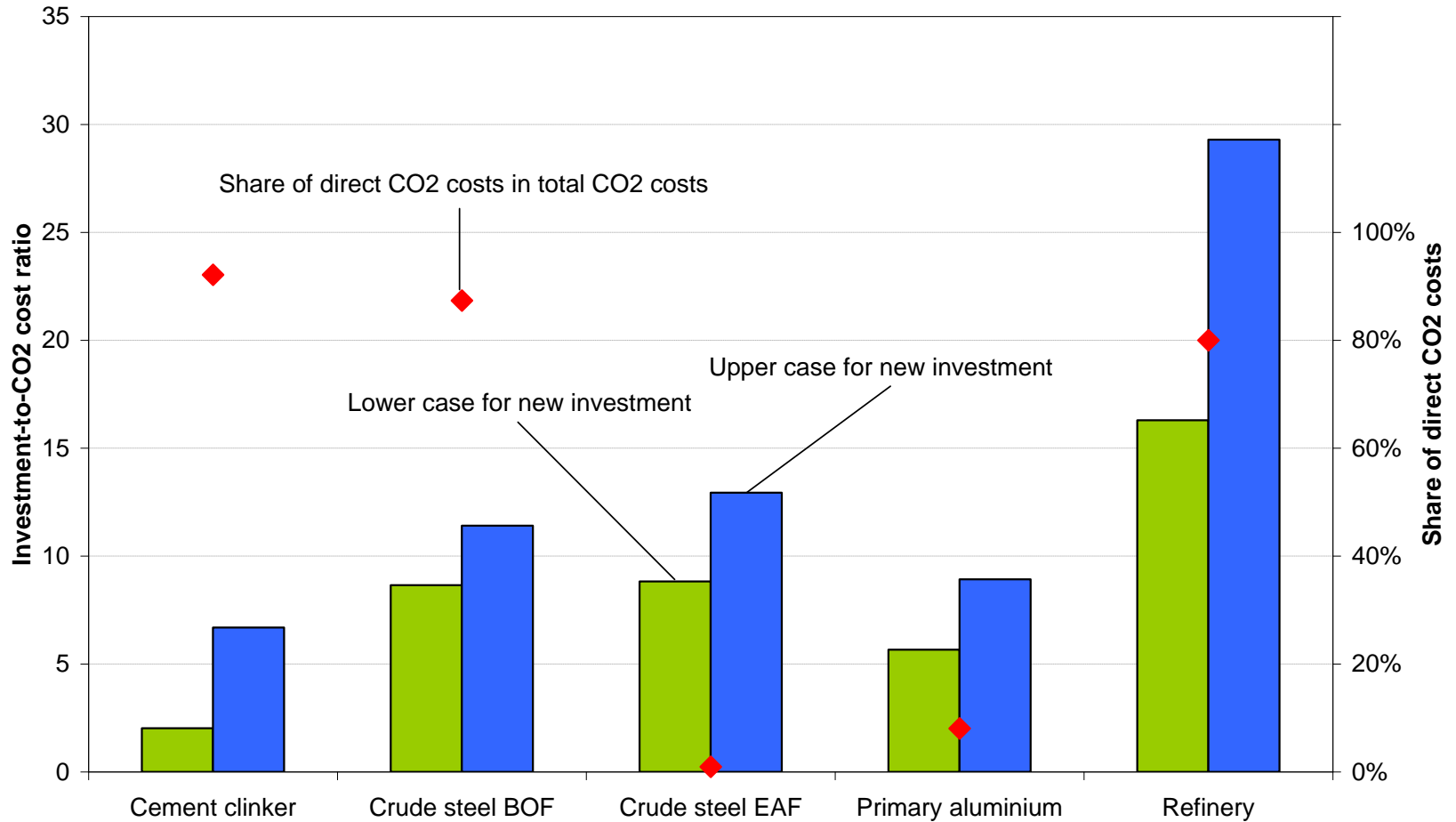
- **The views and opinions presented in this paper are partly based on results from research commissioned by the German Federal Ministry for the Environment, Nature Protection and Reactor Safety, the German Federal Environment Agency and the European Commission.**
- **The contents of this presentation does not necessarily reflect any official position of Germany or the European Union.**

What is special with the carbon-intensive sectors

Why do they deserve special attention

- **Major GHG emission abatement potentials**
 - are at the higher end (doesn't matter?)
 - are extremely innovation-intensive (what role for carbon pricing?)
 - have a strong downstream part and the pass-through of carbon prices is limited (what role for ETS and/or for complimentary policies?)
- **The carbon-intensive sectors are of special political relevance**
- **The carbon leakage issue is of special importance**
 - What are the key mechanisms for leakage (operational, investment)?
 - Is there a one-fits-all countermeasure (probably not – in a world of mixed challenges there is probably a need for more diverse solutions)

What are the realities of carbon leakage? CO2 and investment costs (@30 €/EUA)



**Thank you
very much**

**Dr. Felix Chr. Matthes
Energy & Climate Division
Berlin Office
Schicklerstraße 5-7
D-10179 Berlin
f.matthes@oeko.de
www.oeko.de
twitter.com/FelixMatthes**

