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EU ETS

EU firms lose €9m per day due to delayed EUA allocation: study

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Companies participating in the EU emissions trading scheme face losses of some €9 million (\$14.3 million) because of delayed allocation of 2008 emission allowances, according to research from carbon consulting firm [BlancoConsulting](#).

The research, which provided the macro data for countries, such as UK, Germany, France and Italy, was made in collaboration with carbon exchange [Sendco2](#) and Italian energy trading company [Edelweiss Energia SpA](#).

It found that by 16 June, UK companies had already lost €97 million, German companies €336 million, Italian companies €123 million and French companies €75 million.

EU carbon allowances (EUAs) should have been issued at the end of February, although connection problems between the UN's International transaction log (ITL) and the EU's community independent transaction log (CITL) has caused some states to delay allocation of allowances.

"If the delay will continue as some say, until the end of the year, the cost could reach cost could reach €267 million for the UK, €923 million for Germany, €337 million for Italy and €208 million for France," [BlancoConsulting](#) said in a statement on its website on Sunday.

"In aggregate, it could cost EU companies over €2.7 billion by year end," it said, pointing out that out of the 27-member EU bloc, emission allowance issuance for the cap-and-trade market's 2008-2012 period, at the time of the report, had only taken place for Austria, Denmark, Ireland and Spain.

The financial calculations were made by taking into account the missed profit which could have been made by companies by using EUA based financial transactions, such as repurchase agreements and swap transactions for EUAs and UN-backed carbon credits, called certified emission reductions.

"In fact the protracted delay in the issuance of EUAs is effectively preventing EU companies from benefiting from the use of such tools. Also, the spread between EUA and CER's is now slowly closing thereby reducing the window opportunity for the EUA/CER swap transactions," the statement said.

London