The European Cement Association
CEMBUREAU

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EDITORIAL

The economic crisis: do not add the extra burden that might break industry's back

February 2009 - This was, in a nutshell, the message delivered by the Alliance for a Competitive European Industry (ACEI) to President Barroso on 25 February 2009. The participants, representing key sectors of the manufacturing industry, including CEMBUREAU, brought their active support to a number of initiatives at EU level to mitigate the impact of the economic crisis, such as continuing to invest in and modernise Europe's infrastructure for the future (Communication from the Commission to the European Council: a European Economic Recovery Plan - COM(2008) 800 final). They insisted that more must be done and coordinated at EU level to respond with more muscle and effect.

All sectors present agreed that there is no cause for going back to protectionism but stressed that the EU must, under the circumstances, have recourse to all available trade defence tools to avoid that the EU suffer from protectionist attitudes.

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It was agreed that the implementation of key legislation such as REACH and ETS should not be delayed by the crisis but, beside these, it is important for the European Commission to refrain from increasing the regulatory burden. No one really needs or wants, for example, a NOx and SO2 trading system. Is the recast of IPPC, which would result in the need to revise investment plans, really necessary? The European Commission must realise that the "rage regulatoire" is totally out of order under the dire circumstances now faced.

What is needed are measures that will help sustain demand in the short term while re-enforcing the EU's economic and competitive potential in the future. In addition to tackling the credit problem, the European Commission should seriously consider how encouraging the construction of infrastructure may help revamp the economy in the short term while making Europe more competitive in the long term. More must be done to use this sector, which represents 10.7% of GDP, in order to overcome the crisis. Every single possibility must be grasped. In this respect, some inspiration could be drawn from Growth, Competitiveness, Employment: the Challenges and Ways Forward into the 21st Century - White Paper COM (93)700, December 1993.

Measures have already been adopted to reduce VAT on construction and to foster the development of infrastructure. Recasting the EPBD and extending it to all buildings, even those under less than a 1 000 m2 surface, is another step in the right direction, but not the Ecolabelling of construction products which would not guarantee that buildings and structures will be energy efficient.

Industry insists that, in the midst of the economic and financial crisis, a business as usual scenario is not the order of the day either in industry or in the European Commission. The manufacturing sector - an essential part of "the real economy" - can and will contribute. It would make sense to do so on the basis of a strong European initiative, rather than through fragmented national action plans. This would help avoid distortions and keep the Single Market intact.

EU EMISSIONS TRADING SCHEME

Benchmark timetable published

The will include: (click here to see the table)

Ecofys, in cooperation with Fraunhofer Institute for Systems and Innovation Research, and Ã–ko-Institute, has been contracted by the European Commission to further develop the knowledge base to be used in setting the EU wide benchmarks.

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EU EMISSIONS TRADING SCHEME

CO2 emission allowances hit record low

Declining industrial demand reduced the price of CO2 emission allowances to record lows of 8.05€ on 12 February 2009, raising fears that the global economic crisis could undermine the EU's carbon market. Significant price drops have left some companies with surplus allowances. Point Carbon says that the market has shrunk by a third since last November, and estimates that the value of allowances traded has fallen by 38%, from €322 million a day in November to €208 million in January. The Director of Global Carbon Research at Deutsche Bank has proposed to establish a reserve price for EU emissions allowances to avoid a price collapse in the third phase of the EU's ETS, which starts in 2013.

The European Environment Agency (EEA) says that the first trading period from 1 January 2005 to 31 December 2007 can be seen as an exploratory phase, taking into account that the EU ETS is the first multinational emissions trading scheme of this magnitude (see December - January Eurobrief). The Agency says that a number of lessons have been learned, and that there is still room for further alignments.

The EEA report is available here:http://reports.eea.europa.eu/technical_report_2008_13/en

ENVIRONMENT

IPPC recast on council agenda

MEPs are expected to endorse the Compromise Amendments of the Parliament's Environment Committee (ENVI) for the Directive on Industrial Emissions (recast) in Plenary on 9-12 March 2009. In relation to the rapporteur's (Holger Krahmer, Group of the Alliance of Liberals and Democrats for Europe, Germany) proposal for a "European Safety Net", this is likely to struggle within the Council.

During their meeting on 2 March, EU environment ministers rejected a proposal to strengthen minimum emissions limits on new industrial plants, stating said that not only would it lead to unnecessary administrative burdens and added costs, but that it could also prevent competent authorities from setting best available techniques (BAT) when applying permit conditions. Nevertheless, the ESN concept is currently supported by Germany, Austria and Denmark.

CEMBUREAU has focused primarily on the Environment Council in relation to the specific provisions for cement kilns co-incinerating waste and is advocating that those for waste oils and emission limit values (ELVs) should be maintained as they are in the current Incineration of Waste Directive. In addition, the NOx ELVs should be brought in line with the recently agreed

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BREF (BAT Reference Document) conclusions, which foresee exemptions for certain kiln types.

The Presidency intends to reach a Council common position at the Environment Council meeting on 25 June.

ENVIRONMENT

NOx & SO2 trading

CEMBUREAU has called upon President Barroso and other Commissioners vis-Ã -vis urgent action to avoid an EU-wide NOx and SO2 trading scheme for IPPC (Integrated Pollution Prevention and Control) installations. It must be born in mind that, upon consultation in May 2007, the overwhelming majority (quasi unanimity) of stakeholders, took the view that the introduction of such a cap & trade mechanism was unnecessary. A consortium led by ENTEC UK Ltd is producing, for the European Commission (DG Environment), a study onthe "Assessment of the possible development of an EU-wide NOx and SO2 trading scheme for IPPC installations" to which CEMBUREAU is willing to contribute.

CEMBUREAU strongly believes that the whole idea may still be avoided. The call for action received strong support from the Alliance for a Competitive European Industry (ACEI) and is on the agenda of the energy-intensive industries concerned.

ENVIRONMENT

IEF to approve cement & lime BREF in April

The Information Exchange Forum, chaired by the European Commission under the EU's IPPC Industrial Pollution Directive, is due to adopt the Cement & Lime BREF (Best Available Technique Reference Document) in April. CEMBUREAU is satisfied with the overall outcome, more particularly as far as energy efficiency requirements and NOx BATAELS (Best Available Technique Associated Emission Levels) are concerned.

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Energy labelling proposal debated in Committee

The European Parliament's Industry, Technology and Research (ITRE) Committee debated Rapporteur Anni Podimata (Party of European Socialists, Greece)'s Draft Report on energy labelling earlier this month. The Rapporteur thanked the Commission for its constructive cooperation, but expressed disappointment that the Czech Presidency has so far not responded, and that there is no indication as yet on Member State positions on the proposal.

Ms Podimata supported maintaining the existing A-G energy labelling currently in operation in the EU, arguing that the system was widely accepted and that sticking with A-G labelling did not mean that policy makers could not be innovative. She also said that while the inclusion of windows in the proposal was welcome, this presented difficulties, as it is difficult to define the energy consumption of these products. The Rapporteur said that windows should be defined in a different way, taking into account factors such as weather, as a window in Denmark plays a different role to a window in southern Europe. Silvia-Adriana Ticau MEP (Party of European Socialists, Romania) stated that the EU needed to look to reduce VAT on energy efficient products. The deadline for amendments was 17 February. Parliament's ITRE Committee is scheduled to vote on Ms Podimata's Report on 09 March.

It is CEMBUREAU's view that construction materials & buildings should be excluded from the scope of the Directive as they are already adequately covered under other legislation and could mislead purchasers of buildings or structures.

The Draft Report is available here:
http://www.europarl.europa.eu/sides/getDoc.do?pubRef=//EP//NONSGML+COMPARL+PE-418.383+01+DOC+PDF+V0//EN&language=EN

ENVIRONMENT

Eco-design Directive revision

This month the European Parliament's environment committee backed European commission proposals to extend EU eco-design rules for energy-using products (EuP) to energy-related goods (ErP). Amendments proposed to exclude construction products were rejected. The Commission proposal means that the scope of the Energy Labelling Directive (92/75/EEC) to Energy-Using Products would be significantly extended. Exactly what is included in a label will be defined on a product-by-product basis and will be through the Comitology procedure.

CEMBUREAU considers that the Directive should not apply to buildings and construction products, as they are already subject to complex legislation through which the environmental

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performance and all eco-design aspects are already or will soon be covered (such as the Construction Products Regulation and the Energy Performance of Buildings Directive).

MEPs and the council of ministers hope to reach a first-reading agreement on the plans during the second half of this year. A plenary vote is scheduled for April.

ENVIRONMENT

Ecolabel revision

Plans to step up use of the EU "flower" Ecolabel, widen eco-design rules to include products not consuming energy and simplify the Eco-Management and Audit Scheme (EMAS) scheme were also backed by MEPs in the Environment Committee. Construction products remain under the scope of the Regulation.

It is CEMBUREAU's view that complex systems like buildings cannot be assessed with a single indicator. For the same reason, assessment of a single construction product without knowledge of its detailed use and installation, leads to a distortion of the facts. Applying ecolabels to individual building products or components does not enable the specifier to use the data needed to assess the building as a whole, since the ecolabel is a simple pass/fail "stamped approval". The use of an ecolabeled component cannot, on its own, guarantee that the product as a whole will be environmentally friendly.

BUILDINGS & BUILDING MATERIALS

Energy efficiency of buildings: recast

A mini-hearing in the European Parliament's committee on Industry, Research and Energy (ITRE) was held earlier this month on the recasting of the Energy Performance of Buildings Directive. During the hearing Silvia-Adriana ÃžicÃ£u (Socialist Group in the European Parliament, Romania) repeated her claim for more funding, and for the creation of a website to act as a â€˜one stop shop' to advise consumers on renovations to existing buildings. Alejo Vidal-Quadras (Group of the European People's Party (Christian Democrats) and European Democrats, Spain) claimed too much attention was being given to renewables and that the focus on energy efficient buildings needed to be maintained. Fiona Hall (Group of the Alliance of Liberals and Democrats for Europe, UK) supported the creation of new standards for buildings and building components. Claude Turmes (Group of the Greens/European Free Alliance, Luxembourg) wants a more ambitious deadline for low energy buildings along with more standards for components and for the renovation of existing buildings.

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In addition, a study on the energy performance of buildings, requested by ITRE, was published earlier this month. This study aims to address key issues regarding energy efficiency of buildings and make recommendations to ITRE. AEA, which produced the study, recognises that there are some countries that are already implementing above and beyond the levels of efficiency laid out in the Directive. In relation to the recommendations proposed by the European Commission, the study supports the move to clarify and add to the definitions in the text of the Energy Performance of Buildings Directive. It also supports the removal of 1000 m2 threshold for existing buildings when they undergo major renovation, a point long advocated by CEMBUREAU. With regard to low and zero emissions buildings, the study concludes that the recast of the EPBD should provide at least some minimal guidance (in an Annex) with regard to criteria/ parameters etc. to be considered by Member States when attempting to define such buildings.

Under energy performance certificates AEA believes this should lead to a higher confidence of the general public regarding the information presented in the certificates and make people more aware of the possibilities for improvements and of their cost-effectiveness, leading to a higher rate of renovations, and consequently to enhanced energy savings.

BUILDINGS & BUILDING MATERIALS

Parliament provides climate policy outlook

The European Parliament adopted a non-legislative resolution this month recommending detailed measures that should be undertaken to combat climate change. The resolution includes a proposal for a long term target for the building sector of net zero-energy performance in new residential buildings by 2015, and in new commercial and public buildings by 2020. This goes further than European Commission proposals.

The resolution, which was adopted with 570 votes in favour 78 against and 24 abstentions, underlines MEP fears that "climate change is both more rapid and more serious in terms of its adverse effects than was previously thought". Other measures proposed in the report include a binding goal of 20% improvement in energy efficiency by 2020, the creation of a European renewable energy community and incentives for citizens to reduce emissions in an affordable way. Parliament set up a Temporary Committee on Climate Change in April 2007; the publication of this report represents the completiono f the committee's work.

The Draft Resolution is available here:

http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&language=EN&reference=A6-2008-0495#title1

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BUILDINGS & BUILDING MATERIALS

Compromise amendments to construction products proposal

Earlier this month the European Parliament's Internal Market and Consumer Protection Committee adopted a number of compromise and oral amendments to Catherine Neris' (Party of European Socialists, France) Report on the proposed replacement of the Construction Products Directive (CPD) 89/106/EEC by a Regulation (CPR). The vote had been postponed because the Rapporteur and shadow-Rapporteurs have been trying to work out a compromise. The Report was adopted with 27 in favour and 13 abstentions. The vote in Plenary is still expected in either March or April 2009.

WASTE

JRC publishes final end-of-waste criteria report

The European Commission's Joint Research Centre (JRC) has prepared a package of two reports defining the concept of End of Waste (EoW) and the waste types suitable for this classification. These final recommendations concern definitions for when certain waste streams that have undergone recovery cease to be waste under EU law. The revised EU Waste Framework Directive, which was published last November, states that the European Commission must assess the need for end-of-waste criteria for several waste streams. The JRC report suggests that criteria for defining end-of-waste should cover the input waste material, the recovery processes used, the quality of the resulting product and its potential applications. Quality control procedures to ensure that criteria are met should be established. The Commission plans to publish its proposals for possible end-of-waste criteria by the end of 2009.

Following the publication of the Waste Directive 2008/98/EC, CEMBUREAU plans to put in place a new Task Force-ad hoc group to look at end-of-waste criteria, in particular for used tyres. It is important to note that several of the waste streams used in the cement industry will be affected, namely plastics, ashes and slag, solid waste fuel, waste oil, tyres and solvents.

The JRC Report is available here:

http://susproc.jrc.ec.europa.eu/activities/waste/documents/Endofwastecriteriafinal.pdf

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Focus on alternative fuels in the cement industry

The co-processing of alternative fuels in the European cement industry has the potential to reduce CO2 emissions equivalent to that of 10 million cars - approximately the number of cars on the road in Spain - and save more than 5 million tonnes of non renewable fossil fuels. These are just two messages that were highlighted by CEMBUREAU during the Sustainable Energy Week (EUSEW). EUSEW forms part of the Sustainable Energy Europe (SEE), a European campaign designed to raise awareness and change the landscape of energy, of which CEMBUREAU is a Campaign Associate. "CEMBUREAU welcomes the recognition afforded to the co-processing of alternative fuels as a form of sustainable energy," said Dr Jean-Marie Chandelle, Chief Executive of CEMBUREAU. "Co-processing in the cement industry is an optimum way of recovering energy and material from waste."

CEMBUREAU organised several events with the aim of highlighting the benefits of co-processing: a conference, a cement plant visit (ENCI - HeidelbergCement - Maastricht), and a cocktail. The Association also took this opportunity to launch its latest publication entitled â€˜Sustainable cement production: Co-processing of alternative fuels and raw materials in the cement industry'.

CEMBUREAU

Concrete answers to achieving energy savings

The European Concrete Platform (ECP) was also involved during the EU's Sustainable Energy Week, highlighting numerous sustainable advantages of concrete as a building material. The ECP - a non-profit association of which CEMBUREAU is a member - used a session on energy-efficient buildings to demonstrate that concrete buildings and infrastructure works can contribute towards achieving the EU energy and COÂ² saving targets. When assessed over the whole life cycle of a building, concrete outperforms all other primary construction materials in terms of energy efficiency. The thermal inertia of concrete allows it to absorb and store surplus heat or cold, and release these back to the ambient air (heat in winter and coolness in summer). This can reduce heating energy consumption by 2-15% and reduce energy use for cooling by up to 50% when combined with natural ventilation.

For more information visit: www.europeanconcrete.eu

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OTHER NEWS

Sixth CEN standarDays

The European Committee for Standardization, is organising its sixth StandarDays on 19 and 20 May 2009. The objective of StandarDays is to provide a clear and structured overview of the European Standardization System, of the CEN products and processes, as well as the benefits of involvement to potential stakeholders.

More information and registration can be found here:
http://www.cen.eu/cenorm/aboutus/standardays/sd6.asp

OTHER NEWS

Commission plans VAT cuts for green goods

The European Commission plans to release a proposal that would enable Member States to reduce the amount of Value Added Tax (VAT) applied to greener products as a cost-effective means of promoting the production and use of energy-saving materials and energy-efficient appliances and equipment. The Commission's tax and customs department has been drawing up draft proposals that would enable governments to apply for reduced VAT rates on a limited number of specified products. However, it seems unlikely that VAT rates on consumer products such as energy efficient appliances will be included, as the Commission fears this could lead to distortions in the EU market for certain cross-border goods. The final proposal is expected to be tabled in April 2009.

OTHER NEWS

Commission to revisit energy efficiency

Too little progress is being made if the EU is to meet its objective of a 20% energy efficiency improvement by 2020, says the European Commission. As a result, a "sincere re-evaluation" of EU energy efficiency policy has been called for. The Commission intends to propose a revised EU energy action plan by the end of 2009. Any revised plan would likely set out additional policies deemed necessary for the EU to achieve the 20 per cent objective. Efficiency improvements in the building sector could be a priority.

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OTHER NEWS

Kock-on effect of global financial crisis

Projects to help curb greenhouse gas emissions in the developing world may be abandoned because of the global financial crisis. The World Bank says that slow economic growth could make it easier for developed countries to meet their emission targets without having to make pollution-reduction investments in poorer nations. Many western companies have bought credits abroad to offset greenhouse-gas emissions at home as a cheaper alternative to installing new equipment. But the financial crisis has meant that demand for emissions credits is lower.

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