

CEMBUREAU STATEMENT ON RISING CARBON PRICES AND RECENT EU CEMENT IMPORT TRENDS

High CO2 prices and increasing imports to the EU show the need for an effective Carbon Border Adjustment Mechanism (CBAM)

CEMBUREAU, the European Cement Association (www.cembureau.eu), has issued today updated statistics on the importance of CO2 costs in the EU cement industry and recent import trends to the European Union.

In the context of rising carbon prices, the European cement industry is facing – despite free allocation under the EU Emission Trading Scheme (ETS) – a significant increase of its carbon costs. The calculations made by CEMBUREAU, which are based on publicly available data, show that at an EU ETS price of €90 per ton, CO2 costs for the average EU27 cement plant correspond to 12-15% of the total production costs. Such high share of CO2 costs is very challenging at a time no other cement company outside Europe is exposed to similar costs.

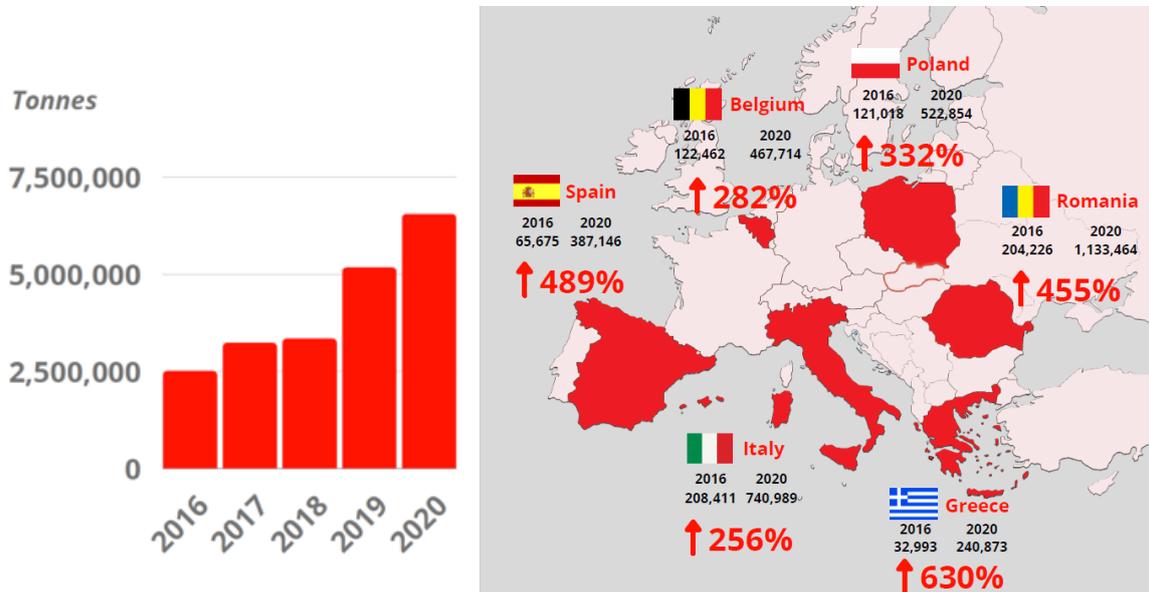
In parallel, Eurostat data shows a significant increase of EU imports of cement from non-European countries. In 2020, EU cement imports rose by 25%, building on a 160% increase over the past five years (2016-2020). For 2021, the available statistics show an increase of 37% over the period January to August, as compared to the same period in 2020.

Against this background, CEMBUREAU calls for the swift reinforcement of carbon leakage measures across the EU:

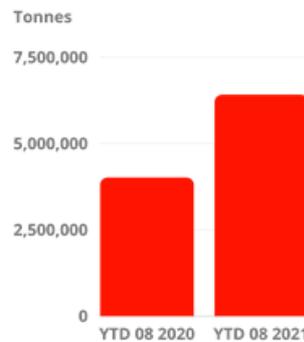
- Whilst the cement sector welcomes the CBAM proposals, **the proposed free allocation phase-out as of 2026 is premature**. It is indispensable to ensure that CBAM effectively equalises CO2 costs between EU and non-EU suppliers before any phase-out of free allocation is initiated. This requires to improve some key parameters of the CBAM proposal as a first step.
- **The application of CBAM should start ahead of the planned 2026 date**. An early entry into force of CBAM, where the instrument would co-exist with ETS free allocation at current level during a transition phase, would help mitigating the carbon leakage that the sector is facing today. This transition phase would ensure that CBAM's design is fully watertight and that the mechanism effectively achieves CO2 cost equalisation.
- **Policy-makers should urgently address the issue of rising carbon and energy costs**. This requires the use of all the tools available to stabilise market prices, support energy-intensive industries through state aid, and the examination of the functioning of the European gas and electricity markets, as well as the EU ETS.

Resources

EU cement imports, 2016-2020, EU and selected countries (Source: Eurostat)



EU cement imports, January-August 2021 vs January-August 2020 (source: Eurostat)



Share of CO2 costs in cement production

Please see [CEMBUREAU's calculations on CO2 costs](#), December 2021.

CEMBUREAU position papers

Please see our position paper on the [EU Carbon Border Adjustment Mechanism](#) and the [Review of the EU Emission Trading Scheme](#) (October 2021), as well as CEMBUREAU's [Carbon Neutrality Roadmap](#) (May 2020).