

Trilogues on ETS and CBAM – CEMBUREAU statement

5th December 2022

The European cement industry needs a strong Carbon Border Adjustment Mechanism (CBAM) and a forward-looking Emission Trading Scheme (ETS) reform to support our decarbonisation efforts and fight carbon leakage.

In view of the upcoming trilogues, CEMBUREAU asks negotiators to consider the following elements:

- **A timely start of CBAM by 2026, and a gradual approach to the phase-out of free allocation, are essential to support the decarbonisation of the cement sector.** EU cement imports have spiked significantly¹ and it is therefore urgent to implement CBAM as soon as possible. In addition, CEMBUREAU supports the proposal of the Council to start with a slower phase-out (5%) of free allocation in the first years of the CBAM Regulation. Such realistic and gradual approach will facilitate the effective testing of the mechanism.
- **CBAM should be fully watertight and include indirect emissions.** It is critical that CBAM fully equalises CO₂ carbon costs between EU and non-EU producers. In this respect, the watertightness of CBAM should be reinforced through stronger circumvention mechanisms and high default values from imported products. The inclusion of indirect emissions is equally key, as a greater electricity use goes hand in hand with the decarbonisation of the cement industry².
- **A real export solution must be found for CBAM sectors.** Some EU countries are exporting up to 50% of their domestic cement production, and these would be immediately impacted when a phase-out of free allocation is ignited, leading to a significant economic impact and increased CO₂ emissions globally. The approach suggested by the European Parliament – maintaining free allocation for exports pending the development of other solutions – should be supported.
- **The ETS Innovation Fund should be maintained at the highest level possible to decarbonise energy-intensive industries.** At a time our trading partners are launching massive subsidy programs, innovation funding is crucial to support the deployment of breakthrough technologies in the EU. It is important to ensure that the free allocation no longer received by CBAM sectors is targeted at these sectors specifically through the ETS Innovation Fund. Furthermore, the idea to allocate significant parts of the ETS Innovation Fund to other programs such as REPowerEU should not be supported.

¹ Eurostat data shows that EU cement imports have spiked significantly (+300% in five years, +54% in 2021 alone), a trend which has continued in the first three months of 2022 (+47% as compared to the same period in 2021).

² Please see CEMBUREAU [note](#) on the inclusion of indirect emissions in CBAM, October 2022.

NOTES FOR EDITORS

CEMBUREAU – The European Cement Association

CEMBUREAU, the European Cement Association is based in Brussels and is the representative organisation of the cement industry in Europe. Currently, its Full Members are 23 national cement industry associations and cement companies of the European Union plus Norway, Switzerland, Turkey and the UK. Croatia, Serbia and Slovakia are Associate Members of CEMBUREAU. Cooperation agreements have been concluded with Vassiliko Cement in Cyprus and UKRCEMENT in Ukraine.

More information

Please click [here](#) to view the 2050 Carbon Neutrality Roadmap online, and click [here](#) to access CEMBUREAU's map of ongoing innovation projects.

Please click here to view the [joint statement](#) from CBAM sectors (October 2022).

Media enquiries should be directed to:

Emmanuel BRUTIN
Public Affairs Director
e.brutin@cembureau.eu

Bade KIZILASLAN
Communications Manager
communications@cembureau.eu