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BUILDING A SUCCESSFUL RECOVERY AFTER COVID 19

JOINT DECLARATION BY CEOs OF THE EUROPEAN CEMENT INDUSTRY

Europe has been hit by an unprecedented health crisis that has deeply affected the personal lives of citizens. European and national governments had to make difficult calls in balancing public health considerations with the need to keep the economy running and people employed. Now, the time has come for all of us to think of our recovery plan. Urgent action at European and national level is needed and the recovery should focus on strategic ecosystems.

- ✓ Energy-intensive sectors such as steel, chemicals and **cement are indispensable to Europe's economy**, as they supply several key value chains. This has been acknowledged in the Green Deal which is not only imperative for Europe to achieve its climate ambition but is now also important as a lever to mobilize the economy in response to the COVID crisis.
- ✓ The European cement industry is a local industry throughout its supply chain thus sustaining the livelihoods of thousands of workers and their families. Cement and concrete have a multiplier effect of 2.8 in terms of added value and jobs on the overall economy. The cement industry delivers its end product, concrete, into the **construction sector which represents 10% of the EU's GDP** and provides jobs to 13 million workers. A major part of these jobs are with small- and medium size enterprises.
- ✓ The cement sector has a **strong track record of developing and implementing protocols that safeguard the health and safety of its employees** and this has proven to be of great value in a health crisis where safety of workers and citizens should be the pre-condition for prioritising sectors that are essential.
- ✓ A **competitive European cement industry** firmly anchored in Europe is key to developing low carbon and circular cement and concrete as the materials of choice for building the durable and sustainable energy and transport infrastructure and building comfort of tomorrow. A regulatory level playing field on carbon as well as carbon price visibility and stability will be pivotal for the cement industry to deliver the investments needed.

Therefore, a European Recovery Plan should:

- ✓ **Put the construction sector at its core with a dedicated budget of EUR 320 bn/year¹**. Construction is a reliable and fast engine for economic recovery and a strategic ecosystem for Europe. It can drive the post-pandemic economy and is vital to fortifying medium and long-term economic growth and development.
- ✓ **Encourage large-scale infrastructure projects** to improve competitiveness, growth and strengthen Europe's cohesion. New investments in urban infrastructure, roads, railways, ports, renewable energy, CO₂ and hydrogen pipelines through Trans European Network (TEN) co-financing, will support economic growth by increasing private and public sector productivity, diversifying means of production and creating jobs.
- ✓ **Boost investments in thermal- and energy- efficient housing** replacing or improving poorly isolated homes to tackle increasing energy poverty in Europe.
- ✓ **Turn the "Renovation initiative" referred to in the Green deal for the buildings and construction sector, into a key recovery tool involving all relevant stakeholders in the construction value chain.**

¹ Figure given in a Joint Declaration on the Recovery Fund by FIEC, EBC and Construction Products Europe, 30 April 2020.

- ✓ **Be consistent with the Green Deal, and support the decarbonisation of energy-intensive industries such as cement.** The European cement industry has elaborated a Roadmap aiming at carbon neutrality along the cement and concrete value chain by 2050. This roadmap identifies the key technologies to reduce CO₂ emissions in cement manufacturing (e.g. use of alternative fuels and raw materials sourced from waste streams, carbon capture and usage/storage, low-carbon cements) and down the value chain (e.g. recyclability, mineralisation of building materials). The recovery plan offers a decisive opportunity to boost investments in these breakthrough technologies and foster industrial competitiveness at a time where the sectors' CAPEX is constrained.

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