December 2021



CO₂ COSTS IN CEMENT SOME CALCULATIONS

CEMBUREAU





- Cement production costs 2021 estimated at 46 58 euros/ton (excluding CO₂ costs).
 (Based on literature information and inflation correction)
- 2. <u>At an EU ETS price of 55 Euros/EUA, CO₂ costs for the average EU27 cement plant are estimated at 4.42 euros/ton, corresponding to 8 10% of total costs</u>

This is based on the difference between the emissions performance with subtraction of the free allowances at 100% of the benchmark level

3. <u>At an EU ETS price of 90 Euros/EUA, CO₂ costs for the</u> <u>average EU27 cement plant are estimated at 7.23 euros/ton,</u> <u>corresponding to 12-15% of total costs</u>



Conclusions in concrete values for 2021

Parameter	2021	Unit
Cement production costs (excluding CO ₂)	46 - 58	euro/ton cement
CO ₂ price	55 / 90 (assumption)	euro/EUA
Clinker to cement factor	74%	ton clinker /ton cement (average EU27)
Benchmark	693 Estimated 512	kg CO ₂ /ton clinker <i>kg CO₂/ton cement</i>
Average emissions	810 <i>Estimated 600</i>	kg CO ₂ /con clinker <i>kg CO₂/ton cement</i>
CO ₂ costs at a price of 55 Euros/EUA	4,42 = 8-10% of total costs	euro/ton cement %
CO ₂ costs at a price of 90 Euros/EUA	7,23 = 12-15% of total costs	euro/ton cement %



Sources used on production costs:

- <u>Report</u> of Ecorys, WIFO and National Institute of Economic and Social Research for the EU Commission, 2018 – "Competitiveness of the European Cement and Lime Sectors"
 - Production costs: "The average EU production cost is around €48 per tonne (2012 official data), but within the sample, the costs per tonne range within the EU from €35 (minimum) to €73 (maximum). Main cost components are the energy costs, raw materials, maintenance costs and labour costs; these costs vary per kiln and per region."
 - Market prices: "Industry representatives indicate that cement is currently (2017) sold for an average ex-factory price around € 60 per tonne, although this may vary significantly."
- <u>Report</u> from Agora Energiewende, April 2021 "Breakthrough Strategies for Climate Neutral Industry in Europe"
 - *"Productions costs for reference cement plants: € 46/t of cement"*



Inflation data

<u>https://www.inflation.eu/en/inflation-rates/europe/historic-inflation/hicp-inflation-europe.aspx</u>

Table - historic harmo	nised inflation	Europe (HICP) – by year
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annual inflation (dec vs. dec)	inflation	annual inflation (dec vs. dec)	inflation
HICP Europe 2020	-0.27 %	HICP Europe 2010	2.22 %
HICP Europe 2019	1.33 %	HICP Europe 2009	0.93 %
HICP Europe 2018	1.52 %	HICP Europe 2008	1.64 %
HICP Europe 2017	1.34 %	HICP Europe 2007	3.11 %
HICP Europe 2016	1.10 %	HICP Europe 2006	1.92 %
HICP Europe 2015	0.09 %	HICP Europe 2005	2.28 %
HICP Europe 2014	-0.17 %	HICP Europe 2004	2.36 %
HICP Europe 2013	0.85 %	HICP Europe 2003	2.02 %
HICP Europe 2012	2.22 %	HICP Europe 2002	2.32 %
HICP Europe 2011	2.75 %	HICP Europe 2001	2.09 %
Display all years 🛛			



• CO₂ costs: 55 Euros/ton / 90 Euros/ton

Assumptions

https://sandbag.be/index.php/carbon-price-viewer/



