Cement Action Plan

Powering Competitiveness, Enabling Transition

Cement Europe

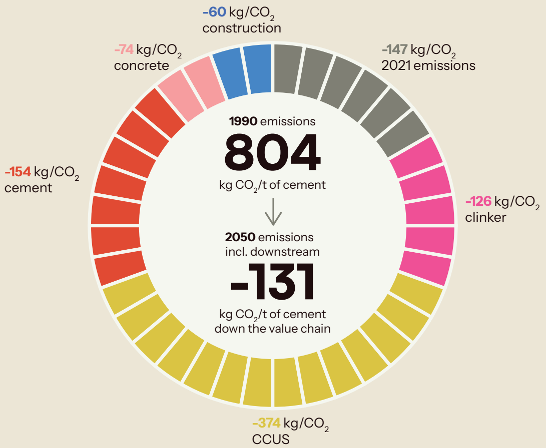
Cement is the backbone of Europe's construction value chain; vital for housing, infrastructure, energy systems, defence and the digital economy. It is also fully local, with more than 200 plants across the EU, supplying the construction sector that represents 10% of the EU's GDP and provides employment to 14.5 million people.

Europe's cement industry is already leading the race to decarbonisation. Responsible for 4% of EU emissions, the sector has cut net emissions by 28.9% since 1990, despite 60% of its emissions being process-related. **More than 120 innovation projects** are under way across Europe, focused on CCUS, alternative fuels, clinker substitution and circularity along the value chain. Our Net Zero Roadmap foresees a 37% cut in CO_2 emissions by 2030, 78% by 2040, and full climate neutrality on cement by 2050 with the potential of negative emissions over the value chain.

However, without a competitive business model, the very viability of the cement industry and its prospects for industrial decarbonisation are at risk. Structurally high energy prices, regulatory complexity and increasing carbon costs erode the industry's competitiveness and are leading to a major increase in imports and a sharp reduction in non-EU exports. The transition of a competitive industry requires robust funding, a rapid roll-out of energy and CO_2 infrastructure and regulatory incentives for low carbon product uptake.

The Cement Action Plan signals a strong sense of urgency and calls for a clear policy partnership to establish the regulatory, financing and infrastructure framework needed to match the cement industry's decarbonisation ambition and efforts.

EU cement sector's roadmap and CO_2 emission reduction ambitions



-37%	of CO_2 emissions on cement by 2030
-78%	of CO_2 emissions on cement by 2040
-100%	of CO_2 emissions on cement by 2050

Ambition

Competitiveness first: the prerequisite for a successful transition

Challenge	Call-to-action
Energy: EU electricity prices are 65% higher than before 2021 and structurally higher than in competing regions, leaving EU producers at a competitive disadvantage.	**Competitive access to energy**: Market reforms (away from marginal pricing), tariff reductions and strengthened network interconnection needed to relieve the high electricity costs. Ensure equal access to thermal energy and alternative fuels, including biowaste.
Regulatory and carbon costs: Rising carbon costs (estimated at €97–162 billion between 2023 and 2034), combined with regulatory uncertainty and inconsistency threaten the cement industry's industrial base and investment in Europe.	**Business planning security:** Long-term predictability in the EU ETS, regulatory simplification, and consistency beyond 2040 are essential to secure business planning and investment.
The **triple cost impact** (regulatory, carbon and energy) already generates a risk of carbon leakage and has resulted in a quadrupling of cement and clinker imports since 2016, with an average higher carbon intensity than EU produced materials, while exports have halved over the same period.	**Level playing field for carbon costs both for imports and exports.** A watertight CBAM must be fully implemented by 2026, with robust anti-circumvention measures and fair treatment for exports.

How to enable transition?

Challenge	Call-to-action
Funding gap: The transition requires unprecedented investment. Yet current EU and national grants are insufficient and ETS revenue allocation to industrial project deployment is disappointingly low.	**Funding & de-risking tools:** Frontloading EU ETS and CBAM revenues into a dedicated Cement Decarbonisation Fund, supported by robust grants and Contracts for Difference, can close the funding gap and unlock deployment.
Infrastructure bottlenecks: CO_2 transport and storage infrastructure is underdeveloped and spread unevenly geographically, hindering the pan-European deployment of capture projects.	**Infrastructure roll-out:** Accelerated permitting and EU-wide deployment of CO_2 infrastructure which qualifies as of overriding public interest and is backed by binding CO_2 injection targets and CO_2 purity rules.
Market uptake of low-carbon products: Demand-side incentives can help the decarbonisation business case while opening up markets for low carbon cement and concrete.	**Lead markets for low-carbon products:** Introduce minimum levels of low embodied carbon purchases and prioritise low carbon & circular product uptake through financing tools and market instruments.
Skilled labour shortage: in addition to facing a deficit of qualified technicians, drivers, machine operators, new technologies require specialised skills in CCUS, automation, AI, digitalisation, climate neutrality etc.	**Investment in upskilling and reskilling:** We need policy support for industry and social partnership reskilling and upskilling programmes across the value chain.

Policy Partnership to Turn Vision into Reality

The European cement industry is ready to invest and to deliver the low carbon, circular materials needed to build homes, infrastructure and green economy. We now urgently need policy delivery and call for a strong partnership to deliver the following key measures:

Watertight CBAM	Full implementation with CBAM requirements mirroring ETS obligations for EU producers
Competitive energy	Electricity levies and duties reduced to zero (ETD), equal access to alternative fuels for all uses of combustible waste, co-processing in cement kilns recognised under waste legislation and level playing field with waste management sector
ETS security & revenues reinvested	▪ ETS benchmarks immediately published in compliance with Annex I ETS ▪ Planning certainty for residual emissions post-2040 for cement as hard-to-abate sector ▪ Carbon removals integrated in ETS ▪ Accounting rules for CO_2 use clarified
Dedicated Cement Decarbonisation Fund	▪ 75% of cement sector ETS revenues available for decarbonisation of the sector ▪ De-risking instruments in place
CO2 infrastructure roll-out	CCS Transport & Storage Package and Net Zero Industry Act fully deployed and implemented
Lead markets for low-carbon products	European CO_2 labelling framework in place with flexibility in methodology for Member States
Skills investment	Training and education programmes developed in cooperation with trade unions and EU financial support

A clear, credible regulatory framework, supporting a strong business case for investment, we can achieve:

57% CO_2 reduction by 2050
Through traditional decarbonisation levers (energy efficiency, fuels, clinker substitution etc.)

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43% CO_2 reduction by 2050
Through carbon capture

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Net zero by 2050
Potential to become carbon negative over the value chain

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Cementing Europe's future