

THE EU COMMISSION SETS 2040 CLIMATE TARGET

Flexibility and full implementation of Clean Industrial Deal are key conditions

Brussels, 03/07/2025

On 2nd July, the European Commission presented the intermediate GHG emissions reduction target for 2040 for the EU society. The target has been fixed at 90% compared to 1990 levels on the trajectory to the EU's climate neutrality goal by 2050. In setting out its proposal, the Commission outlines several flexibilities, including across sectors, and refers to the full implementation of the Clean Industrial Deal as paramount to achieving the climate objectives.

Through the publication of the CEMBUREAU Roadmap, the European cement industry has come forward with its own ambition to reach zero emissions by 2050. The sector's ambition level is based on the development of projects along all levers of the cement and concrete value chain and with a wide geographical spread across Europe. Our Roadmap includes an emission reduction ambition of 78% in 2040 compared to 1990 emissions but makes this ambition conditional on the adoption of the necessary competitiveness drivers and transition enablers.

CEMBUREAU shares the Commission's focus on the need for a swift execution of the Clean Industrial Deal with proper attention for a targeted, measured and proportionate regulatory framework that enables the business case by addressing bottlenecks.

The Commission refers to sectorial strategic dialogues with industry. CEMBUREAU is in the process of developing a "Cement Action Plan" for the implementation of its Roadmap and stands ready to engage with the Commission on the key regulatory levers mentioned in yesterday's announcement by the Commission and to be addressed in the Action Plan:

- With electricity prices at levels 2-3 times as high as in competing economies and electricity demand increasing significantly when deploying breakthrough technologies, there is a strong sense of urgency in alleviating levies on electricity costs. Reviewing the market design and a critical assessment of the marginal pricing system should not be considered "untouchable".
- Europe needs to take a leap forward in developing the energy and CO₂ networks both with a view to boosting the basic competitiveness as well as for facilitating the deployment of breakthrough technologies. This implies a joined-up approach to ensure a viable business case and fair access to infrastructure for each operator in these value chains.
- The global level playing field and competitiveness for cement operators in Europe heavily depends on the effectiveness of CBAM. Faced with a 4-5-fold import increase over the past decade and a more than 50% decrease in exports over the same period, the implementation of tight anticircumvention measures, including safeguards against resource shuffling, should be a key priority. The cement sector has always pleaded in favour of continued free allowances upon exports in order to secure competitiveness on export markets. The return of CBAM revenues under conditions to be determined, as now proposed by the Commission, fails to respond into the plea for predictability and stability for investments.

- The decarbonization of full value chains requires robust clarity on the availability of allowances under EU ETS post 2040. In this context, CEMBUREAU welcomes the use of international credits after 2036 for the allocation of emission rights to unavoidable process CO₂ from energy intensive industries. The use of domestic permanent removals in the EU ETS for the achievement of climate change targets could solve the fundamental challenge of biogenic emissions permanently stored within the EU ETS and should be an opportunity to introduce the concept of negative emissions for installations reaching a compliance level below zero.
- Financing the transition of the cement sector requires a combination of funding sources accompanied by a simplification of the access to funding. Positive steps have been taken through the publication of the CID State Aid Framework and the establishment of the Industrial Decarbonisation Bank, but these frameworks need to be shaped up by a robust level of direct grants, covering both CAPEX and OPEX, de-risking instruments (including Contracts for Difference) and government guarantees.
- A revision of the public procurement framework to support the development of lead markets for low carbon products is mentioned as a core policy for the industry's transition. The uptake of low carbon products requires a regulatory framework that provides consistency between rules embedded in ETS, product legislation, carbon removals and EPDs.
- The cement industry's dependence on imported fossil fuels is on a continuous downward path thanks to a steady increase of the use of alternative fuels, from 2% in 1990 to 58% today. With alternative fuels sourced from waste streams, including biowaste, access to (bio)waste materials without administrative complexity, is key to the supply independency of our sector.

NOTES FOR EDITORS

The cement industry and its end-product, concrete, are part of a fully local value chain, spread over about 200 cement plants across Europe that support local communities with high-quality jobs and supply the European construction market with the material that will build the housing, infrastructure, low carbon energy assets and data centers of tomorrow.

The decarbonization of the built environment is an essential pillar for Europe's transition to carbon neutrality by 2050. With cement and concrete as indispensable and durable building solution for the construction market, valued at about 10% of the EU's GDP, achieving Europe's climate goals hinge on a successful decarbonisation of the cement sector.

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 national cement industry associations and cement companies of the European Union (except for Malta) plus Norway, Switzerland, and the UK.

Serbia is Associate Member of CEMBUREAU. Cooperation agreements have been concluded with Vassiliko Cement in Cyprus and UKRCMENT in Ukraine.

Please click [here](#) to view the CEMBUREAU updated Net Zero Roadmap and [here](#) to access CEMBUREAU's map of ongoing innovation projects.

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