

The cement industry plays a very important role in the economy of the regions, Poland and the European Union. Cement is the basic building material. Without it, it would not be possible to build the necessary road and rail infrastructure or satisfy the housing needs of the Polish society. Development of construction based on cement technologies is an opportunity to quickly level out the differences between Western Europe and Poland.

The Polish Cement Association presents significant legal, economic and environmental conditions that are key to the functioning of the cement industry in Poland and Europe.

Important role of the cement sector in the EU economy

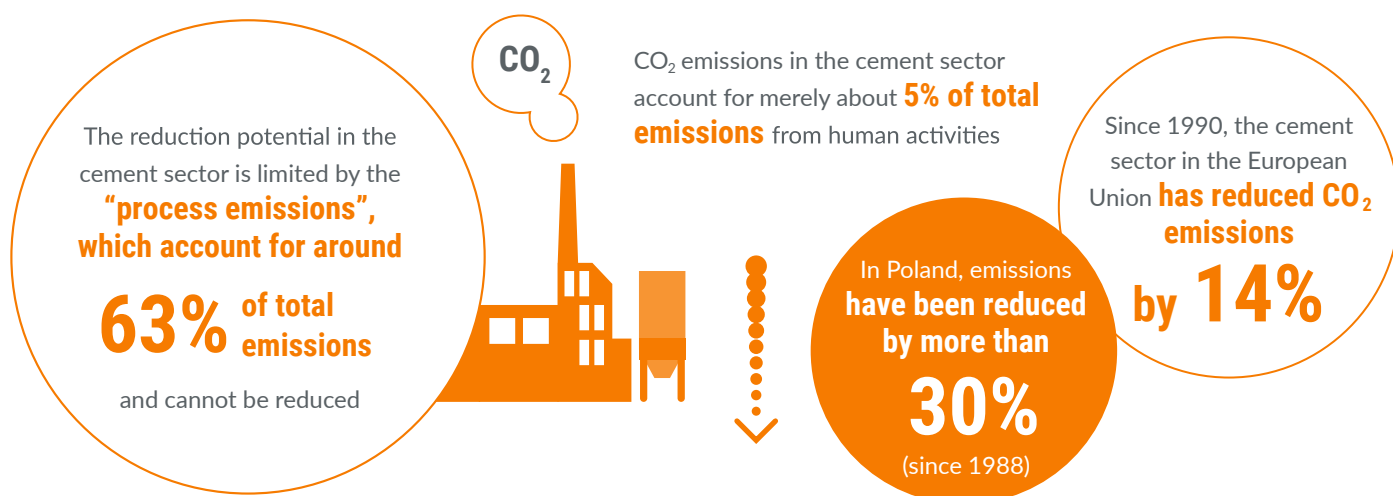
The cement industry in Poland



The cement industry in Europe



The cement sector in the EU Emissions Trading System



Climate policy is one of the areas in which the cement industry needs long-term legislative stability as this will allow it to remain competitive against non-EU producers who are not charged with the cost of CO₂ emissions.

The fourth trading period of the EU Emissions Trading System (EU ETS) is key. In addition to putting the cement sector on the “carbon leakage” list, it is necessary to ensure it is included in the list of sectors entitled to receive compensation for increases in indirect costs resulting from a rise in electricity costs.

The cost of electricity is key to competitiveness



Over the past 2 years, the cost of electricity in the domestic wholesale market

has increased by over 40%

The energy price has reached a record breaking level of more than

PLN 300/MWh

The cost of electricity accounts for up to

30–35% of the cement production cost

At present, the cement sector **cannot apply for compensation** for rising electricity costs caused by the prices of CO₂ emission allowances in the EU ETS

The cement sector in a circular economy

The cement industry is key to achieving circular economy goals as it uses waste from other industries and alternative fuels in the production process. This reduces the need for natural resources and fossil fuels.



The cement industry in Europe replaces about **50% of energy with energy from alternative fuels**. In Poland this is **more than 70%**



A cement kiln has conditions to achieve the **proportion of alternative fuels of as much as 90–95%**



The cement industry in Poland uses approx. **5 million tonnes of secondary raw materials**, such as fly ash and blast furnace slag, which are waste generated by production processes of other industries.

The cement industry in the climate policy of the European Union

Compared to other building materials, concrete is characterised by **very low emissivity**. Over its whole life cycle, concrete helps reduce global CO₂ emissions due to its unique properties:



Thermal mass allows the **energy demand for heating or cooling rooms to be reduced significantly**



Concrete has the ability to **absorb CO₂ from the atmosphere**

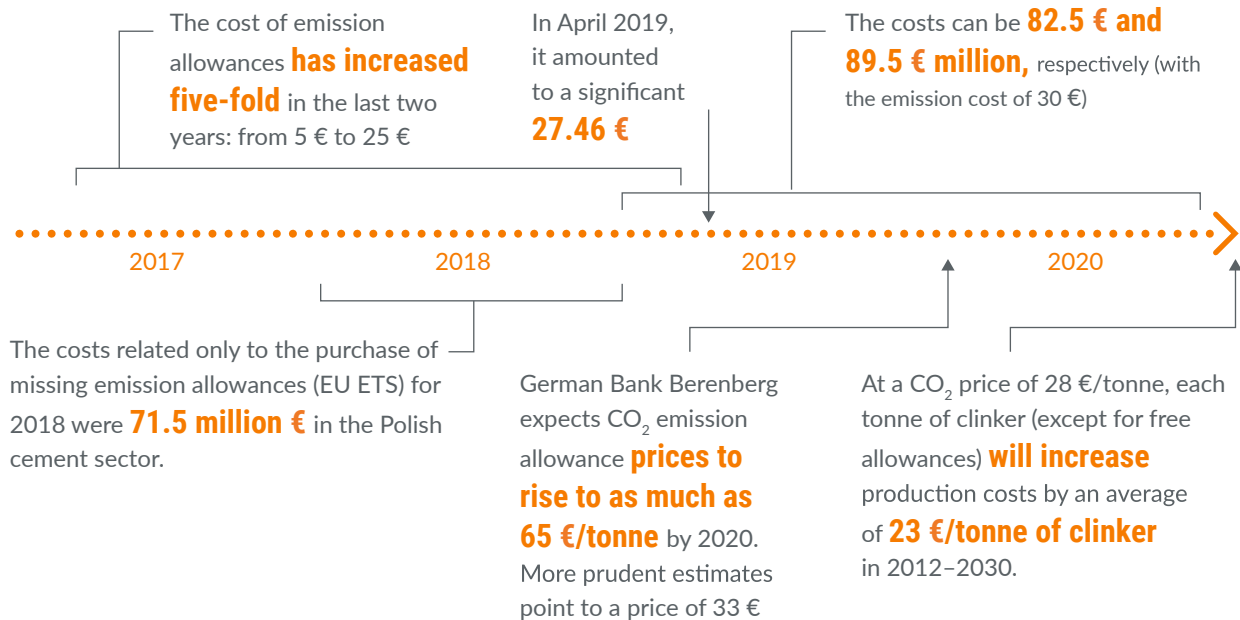


It is **100% recyclable**

For this reason, cement and concrete make a significant contribution **to reducing the effects of climate change**

An additional threat to the cement sector is the introduction of the capacity market and the “capacity charge”. This is another burden for energy users, which will cause a huge loss of competitiveness. And due to its geographical and economic location, the Polish cement sector is exposed to cement and clinker imports much more than other EU countries.

EU ETS is of fundamental significance for the cement industry



Risk of transferring production and increasing the carbon footprint

By 2025, **around 30%** of the clinker production potential in the EU may be gone due to a loss of competitiveness



At risk is production of approx. **27 million tonnes of clinker in the EU** from 2021, and even 40 million from 2030

At 28 €/tonne of CO₂, **clinker and cement production in Europe will not be competitive** against imports from outside the EU, especially in the following areas:

- ✗ **100%** of the area of Spain, Italy, Greece and Portugal
- ✗ **up to 70%** of the area of Poland and the UK
- ✗ **20% to 50%** of the area of France and Germany

If clinker production is moved outside the EU, the cement carbon footprint per tonne of cement imported into the EU is expected to increase by 15% from 2021.

What is key for the cement sector?

The cement sector in Europe is involved in long-term social economic and environmental responsibility programmes. But critical to achievement of these objectives is legal certainty, which will allow for realistic planning of investments in Europe. Therefore, we would like to emphasise the demands whose implementation is crucial for the further functioning of the cement industry.



Access to competitive energy

- Putting the cement industry, by the EC, on the list of production activities eligible for compensations for an increase in indirect costs resulting from the functioning of the EU ETS – Communication from the Commission “Guidelines on certain State aid measures in the context of the greenhouse gas emission allowance trading scheme post-2012” (OJ C 158, 5.6.2012, pp. 4–22); Link: <https://eur-lex.europa.eu/legal-content/PL/TXT/?uri=CELEX%3A52012XC0605%2801%29> Introducing compensation for the increased cost of electricity prices – EU ETS 2021–2030 for the cement sector - in the Polish Compensation Act
- Introducing compensation for the increased cost of electricity prices – EU ETS 2021–2030 for the cement sector
- Introducing the Capacity Market as a tool for EU policies ensuring energy security on the principle of sustainable responsibility



Ensuring competitive market conditions

- Climate policy (ETS): providing protection against moving production out of the EU, setting rational benchmarks and supporting reduction of CO₂ emissions, taking into account the need to maintain competitiveness of the industry against non-EU countries
- Short-term perspective (EU ETS)
 - Maintaining a rational, possibly the highest benchmark value for clinker in EU ETS 2021-2030
- Long-term perspective (POST ETS)
 - Introducing the “carbon tax” imposed on the consumption of goods, which is the best regulatory solution as it allows the cement industry in the EU to be preserved.
 - Support for the transition from EU ETS to the carbon tax



Use of waste, circular economy

- Implementing a ban on landfilling of the waste that can be recycled or recovered
- Providing education on the role of waste in circular economy to win public support
- Improving the systems of waste sorting and segregation
- Promoting cooperation between sectors to optimise the use of waste as raw materials and cooperation with industry to promote the recycling of construction and demolition waste at the national level
- Introducing R&D programmes that will allow waste utilisation technologies to be developed



Development of low carbon products

- Introducing procedures into public procurement that take into account carbon emissions throughout the product life cycle
- Implementing reliable and transparent life cycle determination methods based on durability, flexibility of application and energy efficiency
- Investing in research and development of new technologies that will allow new concrete-related solutions to be introduced
- Introducing a global methodology for calculating emissions from concrete, including absorption (recarbonation), once it is adopted by the IPCC