

Valdis Dombrovskis  
Executive Vice-President, An Economy that Works for People  
European Commission

Brussels, 15<sup>th</sup> January 2021

**Re: Carbon Border Adjustment Mechanisms – study conducted by CEMBUREAU & request for a meeting**

Dear Executive Vice-President,

I am writing on behalf of CEMBUREAU, the association of the European cement industry, to inform you about a study we have recently conducted with PricewaterhouseCoopers (PwC) in relation to Carbon Border Adjustment Mechanisms (CBAM).

As you know, the European cement industry is currently considered as one of the potentially eligible sectors for the implementation of a CBAM. A key economic actor, the European cement industry directly employs over 35,000 persons in the EU, whilst the combined cement and concrete industry generates a total value added of €56bn in the EU28 and generates over 1.1 million jobs. The cement sector has been recognised in the European Green Deal as “*indispensable to Europe’s economy*” as it supplies several key value chains. In May 2020, CEMBUREAU has published its Carbon Neutrality Roadmap, which looks at achieving zero net emissions down the cement and concrete value chain by 2050.

In summary, the study conducted by PwC looks at carbon leakage in the European cement industry in the coming years, and at the possible impact of a CBAM in terms of CO<sub>2</sub> emissions reduction, social impacts and competitiveness. In particular, it analyses how the EU cement industry is facing increasing imports from third countries and how this will evolve to the impact of EU ETS Phase IV, causing increased carbon leakage. PwC have then quantified the savings – both in terms of competitiveness, social impacts and CO<sub>2</sub> emissions – that could be made through the implementation of a CBAM.

The study shows some very clear benefits of a CBAM in terms of emission reductions and social welfare. It also points to a number of design elements that should be carefully considered, notably in terms of the inclusion of direct and indirect emissions, the need for export rebates and the co-existence between CBAM and existing carbon leakage measures.

We would be delighted to meet you with some of our European CEOs in the coming weeks to introduce our sector, highlight the study’s key findings and discuss how a CBAM can foster a level playing field whilst supporting the decarbonisation of the European cement industry.

I have attached to this letter a copy of the PwC study for your information.

I thank you for your consideration and I very much hope that you will be available to meet with us soon.

Yours sincerely,

Art. 4.1 (b)

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Chief Executive