Cerame-Unie The European Ceramic Industry Association

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Brussels, 13 February 2024 – The ceramic industry expresses its concerns regarding the EC communication on the CO_2 emissions reduction target for 2040. An increased ambition of -90% compared to the 1990 levels would mean a nearly full decarbonisation of the ceramic industry by 2040 and, therefore, a significant acceleration of the efforts made by the sector to reach the net-zero goal set for 2050. According to the EC Impact Assessment, the whole European manufacturing industry, including the hard-to abate sectors, such as ceramics, is expected to reduce its CO_2 emissions from 605 Mt in 2015 to 89 Mt in 2040. Our commitment to the Green Deal and a better future for the next generations is unflagging, but we need sufficient sustainable green energy supply at our thousands of ceramic locations around the EU as well as the necessary political support including specific funding for the green transition.

The European Commission launched the already ambitious plan of reaching net-zero emissions by 2050 in the European Union. To align with this target, Cerame-Unie designed its "Roadmap to 2050", which defines the decarbonization pathway for the ceramic industry. The Roadmap assumes a linear reduction to achieve the 2050 net zero target, which translates to ca. 80% reduction in emissions by 2040. The assumption relies on the availability of different energy sources (such as green electricity, green hydrogen and biofuels), on carbon capture and use/storage technologies, and on the access to relevant energy infrastructure. However, the proposed 90% reduction target by 2040 would require an increase in these infrastructure and green energy upscaling efforts as a precondition and a much faster implementation of technologies that are not available yet. A key precondition in this regard is that Europe should address its current gap by accelerating investments in capacity and infrastructure related to electricity, hydrogen, carbon capture, utilisation and storage, while making sure industrial consumers benefit from these investments and by enhancing the predictability of the upcoming legal environment.

The proposed 2040 climate target is not an effective driver of green innovation for the European ceramic sector. The required green energy is not yet available and whilst research is ongoing, several measures will require time to be developed and tested. The ceramic industry sector consists of many small and medium sized as well as multi-sites companies, thus the access to CAPEX fundings (as well as support for OPEX costs) for the green transition (technology investments) is crucial. We need specific funding opportunities for sectors with multi-site companies consisting of many small plants as well as for SMEs. While the ceramic industry is recognised as being at risk of relocation, the current scenario does not incentivize its best performers and does not provide enough support for decarbonisation, such as towards the electrification of production processes.

Moreover, a significant part of the European ceramic products are exported to non-EU countries which have lower decarbonization ambitions, competing in a global market with products that do not bear the cost of decarbonization. Consequently, European products will become even less competitive, if the manufacturing industry is excessively challenged by overambitious targets and related timelines.

As outlined in the Ceramic Manifesto for 2024-2029, we recommend policy makers to consider the challenges that the industry faces and to introduce essential changes to the current policy framework. Therefore, we would welcome a reform of the EU ETS aimed at incentivizing growth in manufacturing while promoting decarbonisation, a secure access to green energy sources at competitive prices and better protection for industrial energy customers in the EU and improved crisis response mechanisms, as well as facing the challenge of the shortage of skilled labour force in Europe.

"*The difficulties of the current market situation in the EU, including the consequences of the recent energy crisis, put the required decarbonisation investments into question*", says Alain Delcourt, Cerame-Unie President, stressing that "*without increased investment capacity, any acceleration of the achievement of net zero target is not realistic*". The ceramic industry suffers a lack of predictability, given that many preconditions do not depend on the sector and currently are not in place, such as the availability of green energy, energy infrastructures and specific decarbonisation technologies (as CCUS).

Cerame-Unie represents the voice of the European ceramic industry of nine different sectors, from bricks and roof tiles to wall and floor tiles, refractories, sanitaryware, tableware, expanded clay and others. Our members are established in 30 European countries and gather about 2.000 companies, generating over 200.000 direct jobs and a production value of EUR 31 billion in the EU. Our sector represents 10% of industrial installations in the EU ETS, despite emitting less than 1% of CO_2 industrial emissions. The European ceramic sector has reduced its total emissions by around 33% since 1990, and by more than 45% since its emissions peak in the years 2000.