

PRESS RELEASE – 24 March 2026

European Council’s conclusions on the EU ETS and carbon costs: Possibly a first step towards a more realistic approach in the long term but clearly insufficient to address the short-term needs and challenges faced by the industry

Cerame-Unie, the European Ceramic Industry Association, takes note of the conclusions adopted by the European Council on 19 March and welcomes the attention given by a large number of EU member states to the challenges linked to rising carbon costs. These discussions may represent a first step towards addressing the medium and long-term structural issues of the EU ETS, notably as the Council conclusions call for a review *“to reduce the volatility of the carbon price and mitigate its impact on electricity prices, including related supply chain costs, and on diversion of activities”* and the letter of 16 March of President von der Leyen to the Council mentions that the ETS review would notably *“set out a more realistic decarbonisation trajectory beyond 2030”*.

However, the short-term measures evoked in the conclusions or in the letter by President von der Leyen fall short of guaranteeing the urgent measures needed on carbon costs to support energy-intensive industries facing an unprecedented crisis. **Emergency measures are needed now, not in 2030!**

A sector under severe pressure

The European ceramic industry is currently confronted with a convergence of crises, including persistently high energy and carbon prices, surge in unfair imports, global trade disruptions, weakened demand in key markets such as construction, increasing regulatory costs, the impact of which is further exacerbated by the immediate effects of the war in Iran on natural gas prices. Without swift and effective action, further production and employment curtailments leading to deindustrialisation will accelerate.

No room for additional carbon cost increases in 2026

As Cerame-Unie has stressed consistently over the last months, the industry cannot absorb any further increase in carbon costs as of 2026. The upcoming phase of the EU Emissions Trading System (ETS), combined with declining free allocation for best performers (foreseen to be equivalent to -34% in 2026), will further weaken the industry’s competitiveness and ability to invest in Europe.

ETS benchmark update: a crucial and vital test

Cerame-Unie notes the European Commission President’s commitment to take *“into account concerns expressed by industry”* in the upcoming ETS benchmark update. **For the ceramic sector, this must translate into a freeze in the reduction of all CO₂ benchmarks relevant to ceramics, maintaining 2025 levels throughout the 2026–2030 period.** This is essential to provide predictability and avoid additional cost pressures. This is justified not only on economic grounds but also due to the misrepresentation of the ceramic installations in the methodology used to update the benchmarks under the current ETS Directive. If this unfair situation cannot be fixed immediately, the EU ETS should merely be suspended as some Member States were arguing during the European Council.

Cerame-Unie stands ready to engage constructively with the EU institutions to implement these conclusions and statements, ensuring that **short-term and effective relief measures on carbon costs are introduced immediately.** Enabling a competitive, resilient, and decarbonised ceramic industry in Europe will require a balanced approach that aligns climate ambition with industrial realities.