# EuLA Feedback on the Update of the ETS State Aid Guidelines

Brussels, 04/09/2025

***EuLA, the European Lime Association, represents European non-captive lime production through its 24 covered Member States (companies & national associations). Lime is one of the essential building blocks of modern industry. It is used in many essential processes, such as making construction buildings, producing iron and steel, treating contaminated land, purifying drinking water, making sugar and even cleaning gases from powers stations. Lime and its derivatives are also important additives for making paper, glass, and agricultural products.***

The European Lime Association (EuLA) welcomes the Commission's consultation on the technical update of the Emissions Trading System (ETS) State aid guidelines. The lime sector is an essential part of Europe's industrial value chains and low-carbon transition. Lime is indispensable in steelmaking, glass, construction materials, water treatment, fertilizers, and a range of downstream industries.

Despite this strategic importance, quarrying of ornamental and building stone, limestone, gypsum, chalk and slate (NACE 08.11) and manufacture of lime and plaster (NACE 23.52) are not currently included among the sectors eligible for indirect cost compensation under the ETS State Aid Guidelines. EuLA calls for their inclusion in the updated Annex I list of eligible sectors, based on the sector's exposure to indirect ETS costs and risk of carbon leakage.

**Proposed Amendment to the Guidelines**

**Annex I – Eligible Sectors:** EuLA proposes to include the lime industry as follows:

- **NACE 23.52 – Manufacture of lime** (including quicklime, slaked lime, hydraulic lime) – *Justification:* High electro-intensity and process $CO_2$ emissions; moderate trade exposure; essential upstream input across industrial value chains.
- **NACE 08.11 – Quarrying of limestone and dolomite** (industrial limestone and dolomite extraction) – *Justification:* Significant trade exposure of raw materials; electricity-intensive crushing and processing; integral to lime production supply chain.

This addition reflects the same objective criteria used for existing sectors, namely exposure to indirect carbon costs and trade intensity leading to a genuine risk of carbon leakage.

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## 1. Context – Lime (NACE 23.52)

Member States to grant temporary electricity price relief where a sector demonstrates, using EU-level data for the last three available years, that it meets the following significant risk thresholds:

- Electro-intensity (EI) ≥ 5%
- Trade intensity (TI) ≥ 5%
- Product = EI × TI ≥ 2%

These values must be calculated with official EU statistics and verified by an independent expert. The lime sector (NACE 23.52) is already listed in CEEAG Annex 1 as "at risk" of carbon leakage, with historic reference values (2013–2015):

- Electro-intensity: 26.7%
- Trade intensity: 4.9%

However, those values no longer reflect current conditions. Since 2021, electricity prices have risen sharply, and trade flows have expanded, making lime a clear candidate to be listed amongst eligible sectors.

## 2. Trade Intensity – Updated Evidence (NACE 23.52)

Using Eurostat/Comext trade data for CN 2522 (quicklime, slaked lime, hydraulic lime) and CN 2520 (plasters, gypsum), the EU's extra-EU trade flows have grown:

| Year | Exports (€m) | Imports (€m) | Total Trade (X+M, €m) | Turnover threshold for TI ≥ 5% (€bn) |
|---|---|---|---|---|
| **2022** | ~246 | ~81 | **~327** | 6.2 |
| **2023** | ~280 | ~116 | **~396** | 7.5 |

Sources: Eurostat Comext (via TrendEconomy); ECB annual average EUR/USD exchange rates.

**Interpretation:** If EU-27 turnover in NACE 23.52 is below ~€7.5bn (2023), the sector clears the 5% TI threshold. In 2015, turnover for C2352 was ~€4.2bn, suggesting TI is now above 5%. This means that for 2022, we obtain 5.2%, and in 2023, 5.19% trade intensity, which are both above the 5% threshold.



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### 3. Electro Intensity (NACE 23.52)

The historic value for lime's electro intensity is 26.7% (2013–2015). Given the surge in EU electricity prices since 2021, EuLA projects that EI is now significantly higher. Based on EuLA's estimations given the data accumulated aggregated for NACE 23.52 Eurostat, the European Commission, and the ECB, the electro-intensity for the lime sector for the years 2022-2023 are:

| Year | Electricity Consumption (PJ) | Price (€/kWh) | GVA (€ billion) | EI (%) |
|---|---|---|---|---|
| 2022 | 18.75 | 0.19 | 2.4 | 41.2% |
| 2023 | 17.8 | 0.16 | 2.3 | 34.4% |

As demonstrated, the value for lime's electro-intensity is thus much larger than previous values, given the fact that energy prices have soared in recent years. Based on this data, lime meets the eligibility threshold.

### 4. Eligibility of NACE 08.11

The Commission's Explanatory Note on sector eligibility reports for NACE 08.11 (3-year avg. 2013–2015):

- Electro-intensity (EI): 14.0%
- Trade intensity (TI): 35.3%

**Updated Data**

- Trade Intensity: based on sizable 2023 extra-EU trade in the core HS headings and the historical 35.3% remains comfortably above 5% on any reasonable 2021–2023 average.
- Energy Intensity: given 2022's industrial price increase and 2023's levels, it is very likely ≥5%, and plausibly around or above the earlier 14% once sector electricity consumption and GVA are applied.

Recommendation: NACE 08.11 should qualify under the revised ETS State aid guidelines as a (significant) risk sector. The public, up-to-date evidence supports the thresholds, and final numbers can be calculated by pulling the exact aggregates over 2021–2023 using the Commission's own methodology and concordances.

## 5. Final Recommendations

Including NACE 23.52 and 08.11 is fully consistent with the Commission's "objective, non-discriminatory and transparent criteria" for aid eligibility. It recognises the genuine risk of carbon leakage in a hard-to-abate, trade-exposed industry that is essential for many downstream actors.


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