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## **Carbon Import Tax Could Raise Cement Prices, Affecting Housing and Infrastructure**

Cement import prices in Australia could see a significant increase, rising by 20 to 30 percent by the late 2030s if the country implements a carbon border tax, as per investment bank UBS. The Federal Government is currently considering a "green tax" on imported cement and steel to offset the domestic push for carbon reduction and to keep local industries competitive.

While a carbon tariff would help protect Australian producers, it would also raise input costs, UBS explained in a report released Tuesday. Cement imports from Japan and Malaysia would likely face immediate impact, with Chinese exports becoming affected by 2030 as stricter emissions thresholds come into effect.

By 2030, companies like Adbri and Boral could see a 20 to 30 percent increase in the cost of imported materials, including clinker, a key ingredient in cement. This cost would likely be passed on to consumers, resulting in higher prices for home construction, renewable energy projects, and infrastructure developments.

UBS noted that concrete constitutes up to 70 percent of the cost of building large infrastructure such as bridges, roads, and dams. However, they also highlighted that a carbon border tax could encourage long-term investments in low-carbon production technologies for the cement industry.

UBS pointed out that, ultimately, the carbon border tax would create a level playing field for carbon pricing. It would benefit domestic companies like Adbri and Boral, which have already invested in more efficient production methods. A final decision on the feasibility of the carbon border tax is expected by April 2025.

Innovative companies are providing sustainable alternatives to traditional cement by utilizing **supplementary cementitious materials (SCMs)** and **geopolymers**. These materials offer solutions to reduce the carbon footprint of the construction industry:

1. **SCMs:** These materials, such as amorphous silica, fly ash, slag, and silica fume, are used to partially replace traditional cement in concrete mixtures, reducing the overall need for high-emission clinker. SCMs not only lower carbon emissions but also improve the durability and performance of concrete.
2. **Geopolymers:** These are alternative binders that do not rely on clinker and are made products including fly ash, amorphous silica or metakaolin. Geopolymers produce significantly lower emissions compared to traditional Portland cement and provide enhanced resistance to chemicals and heat.

These companies are addressing the carbon challenge by offering products that can integrate into the existing infrastructure supply chain, helping reduce greenhouse gas emissions while maintaining high-performance standards in construction materials.