

# Why countries should integrate industries into their NDCs

## Industrial emissions are rising fast, particularly for heavy industries

Since 2020, **INDUSTRIAL EMISSIONS** have grown faster than in any other sector and continue to rise every year.<sup>1</sup>

**STEEL, CEMENT** and **CHEMICALS** account for

**70%** of industrial GHG emissions.<sup>2</sup>

**65%** of industrial energy is **FOSSIL-FUEL BASED**.<sup>3</sup>

## To keep 1.5°C in reach, emissions from heavy industries should fall by

**20%** by 2030

**90%** by 2050.<sup>4</sup>

2050 NET ZERO GOAL

## Transition to net-zero industries requires massive investment

### DECARBONIZING STEEL

requires up to **USD 335 billion** of cumulative investment by 2050.<sup>5</sup>

### DECARBONIZING CEMENT

requires **USD 30 billion** in additional capital expenditure and **USD 300 billion** for infrastructure by 2050.<sup>5</sup>

### DEVELOPING COUNTRIES

will need up to **USD 2.5 trillion** annually for climate-related investments by 2030.<sup>6</sup>

## Investment needs are not yet investment opportunities

**Limited market readiness** of breakthrough technologies and related infrastructure.

**Long lifetime of assets**, high investment costs and technology risks.

**Insufficient policies** and low demand for low-carbon industrial products.

**66%** of business executives report that investment and infrastructure are the most **urgent barriers** for net-zero transition.<sup>10</sup>

**90%** of businesses say they would invest more if governments **implemented policies** to address sector specific barriers.<sup>10</sup>

## This decade is decisive for industry decarbonization, especially for developing countries

### THE NEXT 10 YEARS ARE CRITICAL

**30%** of emissions-heavy assets will need upgrades or replacements by 2030.<sup>7</sup>

2050 IS ONLY ONE INVESTMENT CYCLE AWAY.

**75%** of the **GLOBAL URBAN INFRASTRUCTURE** that will exist in 2050 is yet to be built, with most of this growth in developing countries.<sup>8</sup>

This next round of NDCs should be powerful blueprints to build a thriving low-carbon manufacturing sector, reaping long-term national benefits.

[1] Next Generation NDCs, Opportunities in the Industry Sector in NDCs, World Resources Institute, 2024 [2] Achieving Net Zero Heavy Industry Sectors in G7 Members, IEA, 2022 [3] Direct use of energy, Energy System, Energy Supply & Transformation, IEA, 2024 [4] Steel and Cement Can Drive the Decade of Action on Climate Change, Industrial Analytics Platform, 2022 [5] IFIs and Heavy Industry Decarbonization in Emerging and Developing Economies, LeadIT, 2023 [6] Making Net-Zero Steel Possible, Mission Possible Partnership, 2022 [7] The New Collective Quantified Goal on Climate Finance, OECD, 2024 [8] Net Zero Emissions by 2050 Scenario, IEA, 2024 [9] 4th Summit Report, Global Infrastructure Basel, 2014 [10] Business Breakthrough Barometer, WBCSD, 2024