Long-term effects of demand-side instruments on the costs of industrial transformation



Demand-side instrument induced **willingness to pay accelerates lead market creation** and upscaling. With increasing market scale, costs for climate-friendly materials decrease. This also **reduces costs for transition** compared to alternative policy scenarios and **need for public support** through CCfDs.

Agora Industry (2024) based on Agora Industry, FutureCamp, Wuppertal Institutee, Ecologic Institute (2022) and ETC (2018). *Final incremental costs may differ depending on influencing cost factors such as CO₂ or electricity prices.