



Europe's clean technology industries & key materials suppliers call for EU Clean Industrial Deal and urgent actions to keep Europe in the world's clean technology race - 25 October 2023

Dear Heads of EU governments, European Commission President Ursula von der Leyen, European Council President Charles Michel, European Parliament President Roberta Metsola,

Ahead of tomorrow's European Council summit, Europe's clean technology industries and their key material suppliers unite in supporting the commitments of European Commission President Ursula von der Leyen that "the future of our clean tech industry has to be made in Europe".

Together, we call for urgent and comprehensive action from the European Commission and Member State governments to maximise the growth potential of the Green Deal and ensure a compelling business case for clean energy supply chains in Europe, from the raw material to the product.

The Net Zero Industry Act proposal aims that domestic manufacturing of strategic net-zero technologies - including wind and solar technologies, electrolysers and fuel cells, batteries, and other key technologies - should cover at least 40% of the EU's annual deployment needs by 2030. The Critical Raw Materials Act sets linked 2030 goals for at least 40% of the strategic raw materials for these technologies to be supplied from domestic processing, 10% from mining, and 15% from recycling.

But today, the global competition for clean technology and raw materials leadership has intensified. China has established a growing footprint across most clean tech sectors, while the US has taken a decisive step forward with its Inflation Reduction Act. All this is happening while Europe's investment situation has worsened since Russia's invasion of Ukraine with high energy prices, inflation, and growing supply risks. Europe's ambitions are heavily challenged - from our wind industry to our electric and fuel cell vehicle supply chains, to our solar and electrolysers manufacturing goals to our metal and chemicals producers.

A real and tangible Industrial Policy covering the full supply chain is needed with urgency to ensure Europe does not drop out of the world's clean technology race.

There is not a single month to lose. The European Commission and Member State governments must already act decisively against the threat of further European deindustrialization and supply insecurity. President von der Leyen is right in committing to learn lessons from our historical industry losses, where not acting quickly or strongly enough created new strategic dependencies for the European economy.

The EU's defining policy focus across the next five years must be a real industrial growth strategy, covering the full supply chain. We ask Member State governments to request that the next European Commission delivers an "EU Clean Industrial Deal" competitiveness package in its first 100 days of office, with an equivalent overarching policy scope to the Green Deal.

A real EU Industrial Deal must create a compelling business case for investments and competitiveness across the European clean energy supply chain, including technology producers, materials suppliers, and other critical sectors. We request five central pillars:

1. **New and agile EU-level finance:** The EU must make its financial tools much easier to access for companies, learning from the Inflation Reduction Act. In the short-term, we request targeted adjustment to existing tools, for example amending the scope of the Temporary Crisis and Transition Framework to underpin the competitiveness of critical sectors, or better utilizing the EU Innovation Fund. In the future, significant new sources of EU-level funding specifically allocated to clean energy supply chains will be essential for relaunching competitiveness, as well as a reform of EU State Aid guidelines to better take global competition into account.
2. **Fast-track permitting for production and deployment, enforced at national level:** 80 GW of wind projects, as well as solar projects and various strategic raw materials projects are stuck in bureaucratic processes around Europe, while industrial sectors will also need to go through a deep transition. Realisation of new and upgraded infrastructure for electricity,

hydrogen, and CO2 is an absolute priority. We need to translate the EU's good new rules on permitting into real acceleration at national level, for all cleantech sectors - including materials extraction, processing, and recycling.

3. **Competitive energy prices:** Learning from the energy crisis and considering its ongoing impacts, Europe must make it a top priority to urgently deliver globally competitive energy prices that bring competitiveness and investment certainty to both generators and consumers. This is the key precondition to ensure Europe's energy transition and the security of energy, metals, and clean technologies supply. Affordable, internationally competitive energy prices are needed by European citizens and businesses now and without delay, including through an acceleration of renewable energy deployment in flexible, electrified energy systems. Regulatory barriers to such deployment, relevant cost-driving elements, and prohibitive standards must also be removed, as well as contradictions in legislation.
4. **Level playing field for open strategic autonomy:** Europe should design its industry and trade policies strategically to support clean tech manufacturing and supply chain goals. In sectors where substantial proof exists of unfair practices in third countries affecting the EU market, effective remedies are needed, while for others a more incentive-based toolbox should be utilized. Rules-based international cooperation, including free trade agreements and partnerships based on reciprocity and market-driven approach, will also be critical, notably for raw materials, energy, and technology transfer.
5. **Appropriate market incentives:** Europe's focus on developing full domestic supply chains needs appropriate market incentive measures that reward technology producers for procuring local materials or components, to address cost differentials and improve the level playing field for sustainable production practices, while avoiding any disruptions in global supplies.

The European Commission and Member States must begin work on delivering these five pillars with urgency. Several quick fixes can and should already be delivered this year, if sufficient political will is in place.

It's imperative that the next European Commission then appoints an Executive Vice President responsible for delivering the EU's full industrial policy rethink. They should have horizontal oversight for mainstreaming a real industry growth agenda across all Directorate Generals, maximizing policy coordination, and minimizing regulatory costs and administrative burden.

Together, our sectors want President von der Leyen's Industrial goals to succeed. We want to lead Europe's return to the global clean technology race. We want a secure European energy transition, built by European jobs with sustainable materials and green tech industries. We now have a narrowing window of opportunity to make that ambition happen, and the time to act is now.

Yours sincerely,

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Guy Thiran, Director General, Eurometaux (European Metals Association)

Rene Schroeder, Executive Director, EUROBAT (Association of European automotive & industrial battery manufacturers)

Signatory associations

Cefic: Cefic, the European Chemical Industry Council, founded in 1972, is the voice of large, medium and small chemical companies across Europe, which provide 1.1 million jobs and account for 15% of world chemicals production.

EUROBAT : EUROBAT is the leading association for European automotive and industrial battery manufacturers, covering all battery technologies, and has more than 50 members. The members and staff work with all policy-makers, industry stakeholders, NGOs and media to highlight the important role batteries play for decarbonised mobility and energy systems as well as all other numerous applications.

EUROFER : EUROFER AISBL is located in Brussels and was founded in 1976. It represents the entirety of steel production in the European Union. EUROFER members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federation of Turkey and the United Kingdom are associate members.

Eurometaux : Eurometaux, Europe's metals association, is the united voice of non-ferrous metals mining, processing, and recycling companies in Europe, which provide 500,000 direct jobs. It also directly represents European associations for aluminium, cobalt, copper, nickel, lead, lithium, zinc, precious metals & silicon.

Hydrogen Europe: Hydrogen Europe is the European association representing the interest of the hydrogen industry and its stakeholders and promoting hydrogen as an enabler of a zero-emission society. With more than 500+ members, including 40+ EU regions and 30+ national associations, we encompass the entire value chain of the European hydrogen and fuel cell ecosystem. Our vision is to propel global carbon neutrality by accelerating European hydrogen industry.

RECHARGE: RECHARGE is the European industry association for advanced rechargeable and lithium batteries. Its unique membership covers all aspects of the advanced rechargeable battery value chain, from primary and secondary raw materials suppliers, to battery and original equipment manufacturers, to logistic partners and battery recyclers.

SolarPower Europe : SolarPower Europe is the link between policymakers and the solar PV value chain with the mission of ensuring solar becomes Europe's leading energy source by 2030. It represents over 300 organisations across the entire solar sector.

WindEurope : WindEurope is the voice of the wind industry, actively promoting wind energy across Europe. It has over 500 members from across the whole value chain of wind energy: wind turbine manufacturers, component suppliers, power utilities and wind farm developers, financial institutions, research institutes and national wind energy associations.