

The Clean Industrial Deal: A Tailored Approach for Energy-Intensive Industries

A dedicated Clean Industrial Deal “*transition dialogue on heterogeneous energy intensive industries*” shall provide tailor-made support for EU ceramics, a very heterogeneous energy-intensive sector mainly composed of small & medium sized as well as multi-site companies often located in remote areas, but also structured in strong ceramic clusters in countries such as Italy and Spain.

On July 18th 2024, President von der Leyen stated that a new **Clean Industrial Deal for competitive industries and quality jobs will be implemented in the first 100 days** of the mandate, in order to address the competitiveness concerns stemming from the recent Draghi and Letta reports. On October 8th the Informal European Council adopted the **Budapest Declaration on the “*New European Competitiveness Deal*”**, to communicate the need for keeping the EU as an industrial and technological powerhouse, through industrial renewal, and a common industrial policy. Simplification and reduction of regulatory and reporting burdens, especially for SMEs, are crucial steps for the EU, paired with a strong and sustainable trade policy to defend and promote the EU’s interests.

As underlined by the Draghi Report, energy intensive industries (EIs) are particularly subjected to competitiveness challenges. **EU ceramics mainly consist of SMEs and multi-site companies often based in remote areas or in clusters providing local added value and jobs**, manufacturing sustainable and durable products made of clay and other minerals. This historically grown advantage of the sector’s local integration is also an obstacle in terms of access to infrastructure and required size. The SME dominance and heterogeneity also makes it more vulnerable to unpredictability and volatility. The Clean Industrial Deal shall provide conditions for the necessary level-playing field in particular for more heterogeneous sectors to remain competitive in the EU and to channel the needed investments.

Therefore, a “***Transition dialogue on heterogeneous energy intensive industries***” is a priority as a platform to enhance competitiveness in EU based ceramic companies **in three areas**:

1. Tailor-made clean transition support

- Predictability regarding legal instruments
- A reform of the EU ETS to restore competitiveness and incentivise growth in manufacturing while promoting decarbonisation, and to address the discrepancy in timing between targets and access to the needed technologies, energy, and infrastructure
- Sector specific fundings to support decarbonisation investments in production processes, full access to new financial instruments
- Support for workforce transition

2. Supply of the necessary infrastructure and access to raw materials

- Access to affordable decarbonised energy supply and the related grid infrastructure for the whole sector; large scale expansion and access, also for small & medium plants and clusters, to green energy, including green electricity, hydrogen and biogas as well as CO₂ pipelines
- Secured access to raw materials

3. Less reporting and administrative complexity, simplified permitting procedures

- Accelerated permitting procedures for installations and mining
- Reduced reporting requirements and administrative burden for our sector
- Streamlined and simplified legislative processes and avoidance of overregulation

We call on the European Commission to include this transition dialogue in the New Clean Industrial Deal, so as to deliver a tailored made approach to reach policy objectives and tackle challenges for small and medium-sized, multi-site and clustered energy intensive industries often located in remote areas with more challenging access to new infrastructure and financial instruments. An integrated policy package is needed, which promotes decarbonisation alongside sustainable growth and industrial development. Implementing an effective and comprehensive Clean Industrial Deal which leaves no sector aside should be the main task of the new European Commission.