

PRESS RELEASE – The EP Ceramics Forum discusses EU competitiveness and the Draghi Report

Brussels, 21 October 2024 - On 16 October 2024 the European Parliament Ceramics Forum (EPCF) Breakfast Debate was held on the topic of the *“Future of EU Competitiveness: What can we learn from the Draghi Report?”*. The debate inaugurated the new mandate of the EPCF for the period 2024-2029 and gathered over 50 participants, including MEPs, European Commission officials, and ceramic industry representatives.

EPCF Chair, MEP Elisabetta Gualmini, opened the debate highlighting that *“European ceramic companies are globally recognised for excellence, and it is a priority of the European Parliament to reverse the negative competitiveness trend recently manifested in our energy intensive industries and as pictured in the report of Mario Draghi.”* Mr. Ralph Schmitt-Nilson, Head of Unit at the Commission (DG GROW - Unit A.4.Strategy and Regulation: Single Market and Industrial Policy), presented his views on the situation, and highlighted several conclusions of the Draghi Report that the EU institutions are analysing.

The Draghi Report Highlights Energy Intensive Industries’ challenges

The report of Mario Draghi provides an assessment of the EU energy intensive industries (EIs), including ceramics, focusing on their widening competitiveness gap, and draws possible solutions to the current problems. Given the economic relevance of EIs, responsible for 16% of the total manufacturing gross value added (GVA), and about 2% of the EU GDP, and 13% of jobs in manufacturing, the report emphasises how EIs are facing increasing competitiveness pressure. The main roots include the high energy costs combined with increasing decarbonisation targets and investments required in the EU.

The success of measures, which are being implemented by the EU, is crucial for the purpose of ensuring EIs’ competitiveness at the international level. For example, with regards to the Carbon Border Adjustment Mechanism (CBAM), several challenges are listed in ensuring its effective, consistent and uniform implementation. The report mentions the risk of downstream carbon leakage, as well as the carbon leakage related to export markets and the risk of premature phase out of free allowances for the CBAM sectors. The Draghi report also highlights that regulatory burdens and compliance costs could represent an important obstacle to competitiveness and decarbonisation, particularly for SMEs, thus making it urgent for the EU to accelerate permitting and simplify bureaucracy, as well as introduce tailored and mitigating measures for SMEs and small mid-caps.

The Ceramic Industry shares the analysis and stresses the urgency to take appropriate measures

As mentioned by Cerame-Unie President Alain Delcourt in his remarks during the EPCF breakfast, *“the ceramic industry finds several recommendations of the Draghi Report very relevant and considers that the analysis seems to be correct, particularly on the topics of trade and climate & energy policies”*. In that respect, President Delcourt stresses that *“these measures must be implemented urgently!”*. With regards to trade, the ceramic industry, as export-oriented sector increasingly facing unfair trade practices, welcomes the call by the Draghi report under proposals focusing on EIs, to *“ensure the effective design of trade arrangements and the ability to react, where justified”*, including by applying *“trade defence instruments and anti-subsidy measures when justified”*.

MEPs interested in joining future EPCF debates and initiatives, are requested to register their interest through: <http://www.epcf.eu>.

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