

Industrial Strategy Statement

Eurelectric supports the ambition of net-zero emission in the European Economy by 2050. As an industry, we are committed to deliver carbon-neutral power supply well before 2050 and to make a key contribution to the decarbonisation of transport, buildings and industry through electrification. We welcome a new EU industrial strategy that is a key pillar of the Green deal.

Decarbonisation of the power sector is at the heart of a successful EU industrial strategy

The new EU industrial strategy is a crucial opportunity to support enabling infrastructures for carbon neutral solutions and the necessary investments in renewables, carbon neutral energy sources and key transition enabling technologies such as storage and demand side flexibility, as well as digital solutions. To deliver carbon-neutral electricity, the power sector needs to invest €100 billion per year in generation and storage alone, way above the current €60 billion per year. Additional investments are also necessary into electricity grids, especially at distribution level.

Electrification of end-use sectors (transport, buildings and industry) is an unprecedented opportunity to support the growth and competitiveness of European industry

Carbon-neutral electricity is clearly the main contributor to the transition towards a climate neutral Europe, mostly through direct electrification but also transformed into other energy vectors. The development of these solutions will also support the local economy and provide high skills jobs for EU citizens:

- **Transport:** 5 million electric cars are soon expected to hit the road every year, requiring the accelerated roll out of electric charging infrastructure and its integration with the power system. E-mobility is an essential element of the European industry: investments in clean mobility will support the transformation of business models in the transport sector and contribute to jobs creation across the EU.
- **Buildings:** the EU building stock will also need to be decarbonised by 2050. New and existing buildings will rely on a combination of electrification of heating and cooling, on-site renewables and energy efficiency.
- **Industry:** increased renewables capacity and affordable electricity will support the decarbonisation of harder to abate sectors, directly or through sector integration. This is a unique opportunity for the EU industry to develop carbon-neutral solutions in industry sectors.

Enable the global leadership of European companies

The transformation of European society through decarbonisation and electrification will enable EU industry to show its global leadership in developing, scaling and delivering cost-competitive & sustainable technologies and business models in a circular economy. It will be critical to focus research and innovation funding on climate mitigation solutions and carbon-neutral industrial solutions and feedstocks. An enabling regulatory, financial and investment framework must ensure that both public and private investment accelerate the energy transition and the uptake of clean and sustainable technologies.

Protect European competitiveness

Europe must maintain its competitiveness in global markets. As Europe takes global leadership in addressing climate change, European industry must be able to compete knowing that investment in decarbonisation efforts is a no-regret decision. While collaboration with other regions is crucial in order to promote and implement ambitious climate policies, the EU must explore various options to establish a carbon border adjustment mechanism.