

Strengthening Europe's industrial edge:

A business roadmap for resilience and competitiveness

Dear Members of the European Council, European Commission and European Parliament

In an era of geopolitical tensions, economic uncertainty and intensifying global competition, we – business leaders dedicated to Europe's industrial future – see the green and digital transitions as a vital opportunity to boost Europe's competitiveness.

Globally clean technology deployment is growing exponentially and a technological revolution in energy is underway. Costs continue to fall and technologies to improve.¹ Europe's clean industrial transformation is ensuring the European economy participates in these technological trends, while strengthening its competitiveness and resilience, bringing tangible benefits to citizens and businesses alike. But Europe's pace must accelerate, on investment and on action.

Scaling markets to bring down prices and ensuring global technological leadership are two sides of the same coin. As Mario Draghi's report makes clear, success depends on clear political direction, regulatory stability and enabling conditions for industrial reinvestment and innovation.²

The EU can cement a role as a global leader in clean industries, energy efficiency and climate innovation.³ To stay ahead Europe must underpin this position with stable policies, targeted support, lead markets and strategic supply chain partnerships.⁴ Europe cannot afford to lose any frontrunner advantage or repeat past mistakes.

A strategic opportunity for Europe to lead

We see the Clean Industrial Deal (CID) not only as a policy framework but as a strategic chance to lead global races for clean innovation and technology, fostering new global partnerships while building on the EU's strong industrial base and leveraging the potential of its single market.⁵

Yet short-term competitive pressures on energy- and resource-intensive industries are real. Many are already investing heavily in decarbonisation, as recognised by Ursula von der Leyen in her State of the Union address. These efforts must be assisted and rewarded. The CID should provide the right incentives and frameworks to support industries facing critical reinvestment decisions before 2030.

Regulatory stability: a cornerstone of competitiveness

Europe's predictable climate and energy framework is one of its greatest competitive assets. Regulatory stability does not mean inertia; it means simplifying where possible, while preserving a clear, credible long-term direction. Abrupt reversals or fragmented approaches risks undermining investor confidence, companies' progress and delaying industrial renewal – impacting sustainable industrial competitiveness right now. The CID should therefore prioritise targeted reforms that make transformation easier and clean investment more attractive – with a practical, forward-looking set of immediate priorities.

Turning priorities into action: a business roadmap

Direction of travel: a 90 per cent climate target for 2040

A robust 2040 climate target would send a vital signal of Europe's continued commitment to climate neutrality and industrial leadership. Businesses and investors see decarbonisation and competitiveness as mutually reinforcing, and support framing the CID as the vehicle to achieve at least a 90 per cent reduction by 2040. Alongside effective enabling policies – including reaffirming the Emission Trading System timeline – this would boost confidence and accelerate investment.

Clean energy, energy efficiency and electrification

Affordable, reliable clean energy is essential for competitiveness and for communities across Europe.⁶ High energy prices remain a barrier for industry and households alike. Scaling up electrification, building renovation and low carbon transport will lower costs, enhance security, and reduce geopolitical risks. This requires coordinated infrastructure investment and a supportive legal framework on permitting and financial incentives.

Lead markets for innovative, low carbon products

Strong demand is key to scaling clean industries. Clear standards, strategic public procurement and market development for low carbon goods will drive down prices and foster innovation – helping to build competitive and sustainable industries. Low carbon energy, particularly electricity, should be prioritised and awarded a premium in public procurement due to its beneficial impact throughout value chains. The Industrial Accelerator Act must keep decarbonisation and electrification at its core.

Cleantech deployment

Europe needs to accelerate the deployment of clean technologies to maintain its global edge. Costs fall by around 20 percent when production volumes double: low carbon technologies become cheaper, better and more efficient when demand and production volumes grow.⁷ In addition, European companies stand to benefit from leadership in green patents, energy efficiency, and the development of circular economy solutions.⁸ However, policy clarity and targeted support are needed to de-risk early investment and make it faster for companies to bring innovations to market. The proposed European Competitiveness Fund is crucial for scaling up strategic public investment, attracting private capital, and securing leadership in tomorrow's industries.

Mobilising investment

Public finance must be used strategically to crowd in private capital and bridge the investment gap. This requires a coherent framework that ensures fair access across Member States, while prioritising credible transition pathways. Simplified state aid rules scaling up blended finance through de-risking instruments and a swift launch of the proposed European Competitiveness Fund and Industrial Decarbonisation Bank will be essential.

Circular economy as a strategic asset

Circularity is not only about sustainability: it also strengthens resilience and productivity. Scaling up circular practices can reduce resource dependency, import dependency, spur innovation, create up to 2.5 million domestic jobs by 2030, and ensure fair access to raw materials at a competitive price. Swift implementation of the Circular Economy Act, with clear resource use reduction pathways and standards for secondary materials, will give frontrunners the certainty to expand.

Accelerating the twin digital and green transitions

The EU is a leader in values-based digital governance but must accelerate digital innovation and investment to compete globally. Digital technologies and innovation can drive energy efficiency, optimise resource use, reduce waste and accelerate renewables deployment. This means ensuring high-quality data and its efficient use, increasing investment in infrastructure, and cultivating appropriately skilled talent.

Cohesion and fairness

The transition must be inclusive. The transition is also a major opportunity for Europe's workforce. From electricians and plumbers to installers and maintenance staff, demand for skilled workers is growing fast. With the right investment in cohesion, training, reskilling, and SME participation, this can translate into quality jobs in every region. Ensuring fair access to these opportunities is key to making the industrial transformation deliver benefits for all Europeans.

A moment for leadership

This is the EU's opportunity to strengthen its policies and reinforce its global leadership in clean industry. With consistent action, the Clean Industrial Deal can deliver what businesses and citizens need: a competitive, resilient, and future-proof European economy.

Yours sincerely

¹ Ember Energy, The Electrotech Revolution, 16 September 2025, <https://ember-energy.org/latest-insights/the-electrotech-revolution/>.

² Mario Draghi, *The future of European competitiveness* (European Commission, 2024), https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c-f152a8232961_en.

³ Cleantech for Europe, *Scale or Fail: A Trade Strategy for Europe's Clean Industry* (Cleantech for Europe, 2025), <https://www.cleantechforeurope.com/scale-or-fail-a-trade-strategy-for-europes-clean-industry>.

⁴ Energy Transition Commission, "The EU's Green Agenda: Challenges and Opportunities in a Changing Political Landscape," accessed September 18, 2025, <https://www.energy-transitions.org/bitesize/eu-green-agenda/>.

⁵ Enrico Letta, *Much more than a market – speed, security, solidarity* (European Council, April 2024), <https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf>.

⁶ Draghi, *The future of European competitiveness*.

⁷ Grubb, M., Hourcade, J-C, & Neuhoff, K. 2014. *Planetary Economics: energy, climate change and the three domains of sustainable development*. Routledge.

⁸ Jacques Delors Centre, "Lost in Implementation? The Clean Industrial Deal demands urgent and bold delivery" (policy brief), <https://www.delorscentre.eu/en/publications/detail/publication/lost-in-implementation-the-clean-industrial-deal-1>