

Ms Teresa Ribera Rodríguez Executive Vice-President for a Clean, Just and Competitive Transition European Commission Rue de la Loi 200 1049 Brussels Belgium

Brussels, 10 February 2025

Subject: Key considerations on the forthcoming Clean Industrial Deal

Dear Executive Vice-President Ribera,

In light of the upcoming presentation of the Clean Industrial Deal on 26 February 2025, I would like to share some key considerations from the perspective of the European network of chambers of commerce and industry. We will of course analyse the document once available and remain committed to contributing to our joint objective of aligning sustainability with competitiveness.

To reignite sustainable growth in Europe, the Clean Industrial Deal should be built on four fundamental pillars: **Simplification, Scale, Security, and Skills** – to ensure a competitive, resilient, and sustainable European economy.

Simplification: Initiatives under the Clean Industrial Deal, alongside the Omnibus Packages, must prioritise **proportionate regulation** rather than adding more complexity on smaller businesses. Excessive compliance costs stemming from the European Green Deal already undermine the competitiveness of companies. Eurochambres has submitted to the European Commission a list of 60 existing pieces of EU legislation where swift and resolute simplification measures are urgently needed to deliver on your commitment of cutting red tape by 35% for SMEs.

Ensuring **coherence between legislative frameworks** should be at the core of the new initiatives under the Clean Industrial Deal. Regulatory overlaps and unclarity in information with respect to existing legislation, such as the Net Zero Industry Act and the Critical Raw Materials Act, must be avoided. Instead, the new policies should ensure proportionality, transparency and robust "reality checks".

The Clean Industrial Deal provides an opportunity to **accelerate and simplify permitting procedures**. Simpler and faster permit-granting processes are essential to attract investment in key technologies, not only for enhancing competitiveness but also for successful decarbonisation. The Industrial Decarbonisation Accelerator Act could serve as a starting point for these improvements. Additionally, the potential of digitalisation should also be leveraged to simplify reporting requirements and reduce administrative burdens.

Scale: The single market remains Europe's most valuable economic asset, yet barriers to full integration persist, limiting businesses' ability to scale up. Only 15% of SMEs engage in cross-border trade, largely due to regulatory fragmentation and administrative burdens. The Association of the European Chambers of Commerce and Industry

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Clean Industrial Deal must remove these barriers to drive sustainable business growth, and ensure the single market remains competitive in the global green economy. **Scaling up the market for clean technologies**, essential for the green and digital transition, including hydrogen and carbon capturing technologies, will be critical for Europe.

Enhancing **access to finance** is equally pivotal. The Letta Report highlights the need to mobilise Europe's €33 trillion in private savings to support industrial transformation. Yet, fragmented financial markets hinder the ability to channel this capital into clean and industrial innovation. The establishment of a Competitiveness Fund within the EU budget could ensure strategic investments, while the announced Savings and Investments Union has the potential to unlock private financing.

A strong focus on research and innovation (R&I) is also required to close the innovation gap. Access to fundings from EU Research Programmes, such as Horizon Europe, need to be simplified and adequately financed. This should also include stronger SME-friendly funding mechanisms. To ensure efficiency and prevent fragmentation, EU research funding programmes must be well-coordinated and strategically steered.

Security: EU companies continue to face electricity prices that are two or three times higher than those in the USA, creating a significant cost disadvantage. Therefore, strengthening energy security and affordability needs to be an integral part of the Clean Industrial Deal. The announced Affordable Energy Action Plan must support the expansion and modernisation of energy infrastructure, facilitate long-term energy contracts, and diversifying energy sources.

Raw materials are the backbone of Europe's economy and are critical for the green and digital transition. Yet, Europe remains heavily dependent on a limited number of suppliers for both extraction and processing of critical materials. To **secure affordable and stable access to raw materials**, the Clean Industrial Deal must focus on trade agreements, strategic partnerships, and supply diversification. Additionally, the Circular Economy Act should promote a robust market for secondary materials, reducing Europe's dependency on imports.

The Clean Industrial Deal must be complemented by **stronger international collaboration to harmonise climate policies**. Without such cooperation, the risk of carbon leakage threatens both Europe's industrial base and the effectiveness of its climate measures. Unilateral instruments by the EU can only serve as second-best measures, as they add administrative burdens and compliance obligations on companies. Yet, by aligning global climate efforts, we can establish a level-playing field for businesses, ensuring that decarbonisation becomes an opportunity for growth rather than a burden.

Skills: Skills shortages remain a major barrier to Europe's competitiveness and for a successful green and digital transition. As highlighted in the <u>2025 Eurochambres Economic</u> <u>Survey</u>, based on responses from over 42,000 businesses, **skills shortages ranked among the top challenges for European companies**. Therefore, the Clean Industrial Deal must be supported by complementary initiatives, such as the announced Union of Skills, to develop a workforce equipped with the right skills.

Improving skills intelligence is crucial to aligning education and training with labour market needs. Chambers act as bridges between businesses and education providers to



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ensure workforce adaptability. A greater focus on vocational education and training, particularly in strategic sectors, is needed, alongside EU-level financing for workforce training. Digital and green reskilling must be incentivised, with education aligned with industry demands.

Chambers also highlight the crucial **role of mobility and migration** in addressing labour market gaps and ensuring businesses' access to talent. The Clean Industrial Deal must align with initiatives aimed at strengthening the EU Talent Pool and at enhancing collaboration between universities, research institutions, and industry to foster innovation and skills development. A well-structured strategy will be essential to maintaining Europe's competitive edge in human capital and ensuring a successful green and digital transition.

The Clean Industrial Deal must be **a fair deal for all businesses**, enabling decarbonisation while simultaneously driving Europe's reindustrialisation. The four pillars – **simplification**, **scale**, **security and skills** – should serve as the foundation for it and other upcoming initiatives throughout the new term. Eurochambres remains committed to achieving the shared goal of aligning sustainability with competitiveness and I remain available to discuss with you how we can mobilise the chamber network contribute to this process.

Yours sincerely,

Vladimír Dlouhý

cc: Stéphane Séjourné Executive Vice-President for Prosperity and Industrial Strategy