



## Joint Declaration of the Central and Eastern European Initiative (CEEI) on an Industrial Policy for a Sustainable and Competitive Europe

We, the employers' associations of Austria, Croatia, the Czech Republic, Hungary, Romania, Slovakia, and Slovenia express our full support for a comprehensive, streamlined EU industrial strategy to complement the European Green Deal and to support strategic, resource- and energy-intensive industries in Europe in the current multifaceted crisis.

We, as associations, and among our member companies, identify an urgent need to support the EU economy, industry and business, and address the growing gap in competitiveness, innovation and investment vis-à-vis global competitors. The appointment of a new College of Commissioners and the setting of new Commission's priorities coincides with the formulation of a new EU Clean Industrial Deal, complemented by an Industrial Decarbonization Accelerator Act, to support European lead markets for the development, production and diffusion of clean tech in industry and to speed up related planning, tendering and permitting processes, in particular for energy-intensive sectors. This offers a unique opportunity and momentum to adapt European policies to the changed economic and geopolitical reality both inside and outside the EU and to follow the recommendations from the Draghi and Letta reports to enhance competitiveness and growth.

Therefore, we urge the EU institutions to take the following measures in the coming weeks, under the Polish Presidency of the European Union, and **incorporate them into the anticipated EU Clean Industrial Deal:**

### **1. Formulate and implement a comprehensive EU industrial policy, aligned with Green Deal goals**

We urge the incoming European Commission and all other EU institutions to prepare a coherent, effective industrial policy, in the form of the Clean Industrial Deal, and with the overarching aim to prevent further de-industrialization of Europe. The Deal must enable EU industry to stay competitive and resilient in the face of current crises and transition needs, covering both upstream energy-intensive industries and critical downstream sectors, especially those most vulnerable to de-industrialization and de-localization of production. The Clean Industrial Deal should enable EU's transitioning industries to thrive and to successfully deliver the EU Green Deal Goals.

### **2. Complement the Clean Industrial Deal with an assertive and coordinated EU trade policy**

In the face of unprecedented geopolitical and economic instability, the EU must adopt a more assertive and better coordinated trade policy, aiming to counter unfair competition and ensure global competitiveness of EU-made products. This should apply particularly in sectors most vulnerable to de-industrialization and transitioning industries with low-carbon outputs. We support a comprehensive review of current trade defence measures to protect EU industry and,



where necessary, support the introduction of new measures, including sector-specific safeguard quotas or tariffication regimes. We urge the European Commission to reinforce the effectiveness of EU trade defence instruments and investigations, bearing in mind the need for a balanced approach to avoid heavy-handed interventionism. Europe needs to focus on the pro-market solutions outlined in the Draghi report if it is to be successful economically. It is crucial to prioritize the negotiation and implementation of trade agreements with key regions such as Mexico, Mercosur, Australia, India, and ASEAN to diversify suppliers and foster mutually beneficial partnerships, while balancing geopolitical and economic interests. Open trade must remain a cornerstone of the EU's economic policy to maintain competitiveness.

### **3. Address the deficiencies in EU energy policy**

We call upon EU institutions to assess all levels of energy price components, including wholesale price, grids and taxes/levies, and their impact on EU industrial competitiveness. We support a broad consideration of all possible measures to lower energy costs for industrial consumers and businesses, in line with the technology neutrality principle, and with the aim to retain competitive energy pricing in the EU, for example via the upcoming Action Plan for Affordable Energy Prices.

We further urge the European Commission to implement policy measures that transfer the cost benefits of renewable and low-carbon electricity to energy-intensive industries and businesses and, at the national level, decrease the regulated portion (eg. tariffs and taxes) of the final price of electricity to the extent possible. Targeted policy actions are necessary to lower total energy costs for EU businesses, mitigate high commodity prices and stabilize the EU energy market. Also, substantial investment in energy interconnection capacity is required, to achieve the modernisation of EU energy grids, support renewable sources integration and expand energy storage capacity.

### **4. Reduce regulatory burden and ensure an increased internal harmonization of EU policies under the upcoming legislature**

To enable full implementation of the Clean Industrial Deal, the Competitiveness Compass, as well as of other Draghi report recommendations, EU institutions must ensure that a holistic approach is taken to address overlaps and contradictions in EU legislation. A large number of legal provisions have been adopted as part of the European Green Deal, whose application remains unclear and leads to legal uncertainty for companies. It is essential that sufficient time and resources will be invested in practical implementation, focusing on the coherence of legislation. We welcome all efforts to harmonize and streamline legislative requirements adopted in the previous political cycle, taking into account also the interplay between sectoral and topical policies aimed at EU industry and business, and considering their cumulative effects on EU industries and businesses in the short- and long-term. When proposing new legislation, the "one in, one out" principle should be respected, in order to reduce the administrative burden and avoid overlapping and/or conflicting regulations and remove any unnecessary requirements for business and industry. Enabling factors such as finance and skills should be strengthened.



## 5. Eliminate the regulatory gaps in EU carbon market policies

The Draghi report itself identifies several risks for EU hard-to-abate industries under CBAM, such as resource shuffling, weak downstream product coverage or potential negative impacts on EU CBAM exports. Therefore, we need to implement measures to preserve EU CBAM exports, introduce anti-circumvention measures, and closely monitor CBAM effects on both downstream and upstream sectors it aims to protect. In addition, we call upon raising the de-minimis threshold of goods and for a full and efficient use of EU ETS revenues for decarbonisation of EU industries, while also allowing for revisions of the phase-out trajectory or a CBAM reform, should the measure prove ineffective in some aspects.

## 6. Support a sustainable Single Market for green and low-carbon products

As representative organizations of the business community, we support an increased focus on creating an EU Single Market for low-carbon, circular and green products, as they will be produced by our industries' post-transition. Bridging the cost gap between conventional and low-carbon production now calls for both demand- and supply-side measures to enhance sustainability and viability of the sectors in green transition.

On 15 January 2025