

The new measures, part of the bigger EU Green Deal Industrial Plan, aim at making the bloc a leader in clean tech production in response to the growing competition from the US and China.

European Commission **President Ursula von der Leyen** presented the EU Industrial Plan on Thursday to secure raw materials and produce clean tech required for the [clean energy transition](#) in the latest attempt to position itself as the global leader in the race to carbon neutrality.

The Net-Zero Industry Act and Critical Raw Materials Act, both part of the Green Deal Industrial Plan unveiled last month to support the bloc's transition to climate neutrality, are designed to facilitate the bloc's efforts in slashing carbon emissions and boosting the domestic green industry.

The latter sets out "a comprehensive set of actions" to facilitate access to a "secure, diversified, affordable, and sustainable supply of critical raw materials" needed for manufacturing "key" technologies such as renewable energy infrastructure, effectively reducing the bloc's heavy dependency on imports and thus mitigating risks related to supply chain disruptions and shortages.

The Commission said that by the end of the decade, no more than 65% of any key raw materials should come from a single third country. Currently, China is the dominant global supplier of about two-thirds of critical raw materials.

"[...] We're strengthening our cooperation with reliable trading partners globally to reduce the EU's current dependencies on just one or a few countries," said von der Leyen.

"It's in our mutual interest to ramp up production in a sustainable manner and at the same time ensure the highest level of diversification of supply chains for our European businesses."

The accompanying measure, the landmark Net-Zero Industry Act, focuses on nurturing domestic green manufacturing, calling for a clean-tech production rate of 40% within the EU's borders by 2030.

The Act focuses on 8 key sectors to reach climate neutrality by 2050: Photovoltaic and solar thermal energy, onshore and offshore wind power, battery and storage, heat pumps and geothermal energy, electrolyzers and fuel cells, biomethane, carbon capture and storage (CCS), and grid technologies.

The Act, a "once in a generation opportunity" to secure Europe's leadership in the "fast-growing net-zero technology sector," came in response to growing competition from the US and China.

EU Unveils Industrial Plan to Lead Clean Tech Production and Secure Raw Materials in the Race to Net-Zero

The EU lags behind in many sectors, including electric vehicle (EV) manufacturing, solar energy production, and energy prices.

The initial response to the new measures was mixed.

The Confederation of European Business, shortened as BusinessEurope, described it as of “limited scope” that risks becoming “a handicap for Europe’s [net-zero transformation](#),” adding that the EU should instead acknowledge that its decarbonisation is a priority for the economy as a whole.

WindEurope, an association promoting the use of wind power in Europe, said the proposal failed to outline the financial support the bloc would offer to scale up turbine manufacturing, while Brussel-based think tank Bruegel described the plan as “unabashedly protectionist.”

The proposed regulations will be discussed and agreed upon by the European Parliament and the Council of the European Union before their adoption and entry into force.

Source: Earth