

## Clean Industrial Deal Position Paper

EIT Manufacturing is an initiative of the European Institute of Innovation and Technology (EIT), a body of the European Union. It is one of the Knowledge and Innovation Communities (KICs) that fosters innovation in manufacturing by bringing more than 200 business, education and research organisations in a pan-European partnership.

EIT Manufacturing welcomes the Clean Industrial Deal ('Deal'), the new European Commission's strategy to support the European industry in facing three main challenges: the climate crisis and its consequences, the EU's weakening global competitiveness and its ability to maintain economic resilience. The Deal, as such, aligns with Europe's carbon neutrality targets by 2050, complementing them with additional technical and financial support. Despite the current geopolitical and economic challenges, the EU remains committed to its environmental goals.

On the other hand, the Deal follows a vertical sectoral approach, covering the energy-intensive industries and the clean tech sector, raising concern about the inclusivity of other manufacturing segments. While EIT Manufacturing supports decarbonising these industries, a comprehensive approach considering the entire value chain is necessary in order to achieve decarbonisation while incentivising competitiveness and resilience.

EIT Manufacturing supports the Clean Industrial Deal and its measures to turn decarbonisation into a driver of growth for European industries, with a few considerations and recommendations outlined below.

### **The Deal's emphasis on fostering sustainable and resilient production in Europe.**

EIT Manufacturing supports the Deal's accent on the necessity of nurturing competitive manufacturing through innovation and the creation of quality jobs, contributing to our open strategic autonomy. EIT Manufacturing is already working on addressing this through its key activities, which are driven by its strategic objectives—two of which specifically focus on accelerating green manufacturing and enhancing sovereignty and competitiveness.

### **The skills dimension in the Deal, as a key driver for a thriving European industrial ecosystem.**

Harmonisation at the EU level is crucial, particularly in upskilling and reskilling the industrial workforce, with national policies supporting this effort. EIT Manufacturing welcomes the publication of the Union of Skills and its mention of EIT KICs' efforts in addressing the skills gap. A notable example mentioned in the Communication on the Union of Skills is the [Deep Tech Talent Initiative \(DTTI\)](#), one of the five flagship projects of the New European Innovation Agenda, coordinated by EIT Manufacturing. The DTTI aims to train 1 million people in deep tech by the end of 2025. With 977,473 talents trained and 409 pledged members by the end of 2024, the DTTI is on track to meet its goal. The EIT KICs are working closely with industry and educational institutions to develop the skills needed for the future industrial workforce. We believe these efforts should be valorised by the Union of Skills strategy.



**The Circular Economy Act, as a key initiative to drive the EU's circular transition and achieve climate neutrality.**

While the Circular Economy Act is of critical importance, the absence of remanufacturing in the Act is concerning, given its significant circular potential to support both the EU's decarbonisation and resilience goals. Remanufacturing provides key benefits, including material conservation, reduced energy consumption, lower waste, cost savings and job creation. It supports over 450,000 jobs worldwide and contributes to the EU's broader environmental and economic objectives. **EIT Manufacturing calls for remanufacturing to be explicitly included in the Circular Economy Act.**

**Leveraging private funding to maintain the EU's global relevance and boost competitiveness, as highlighted in the Draghi report.**

The Deal addresses the need for leveraging private funding by enhancing InvestEU's risk-bearing capacity and launching the TechEU investment programme to back disruptive innovation, strengthen industrial capacity and scale up companies investing in innovative technologies. EIT Manufacturing fully supports this approach and the need to mobilise investment for EU priorities, including modernising industrial processes and advancing clean tech. EIT Manufacturing has been working on this matter in cooperation with other EU actors to create a financial instrument supporting startups in the European manufacturing scene.

**The "Made in Europe" approach highlighted in the Deal providing clear incentives for manufacturers to ramp up production in the EU.**

The approach reaffirms the Net Zero Industry Act goals of having 40% of key components of clean tech components produced domestically, signaling the Commission's commitments to harmonise initiatives. EIT Manufacturing looks forward to seeing how non-price public procurement criteria, such as those linked to resilience and sustainability, will be implemented and defined.

EIT Manufacturing looks forward to continuing its contributions to EU's decarbonisation and reindustrialisation through its programmes. The Clean Industrial Deal is an important milestone in bringing climate and competitiveness under one growth strategy as highlighted in the Draghi report. **EIT Manufacturing's belief is that for attaining decarbonisation while incentivising competitiveness and resilience long term, a comprehensive approach considering the entire value chain is necessary, as well as leveraging private funding and incorporating the skills dimension.**