

The EU's new Clean Industrial Deal

By Wayne Visser

Europe's grand experiment in sustainable competitiveness continues

Beyond the Trump-Musk show of shock & awe (or is it destruction & deception?), did you notice the announcement of the new  **EU Clean Industrial Deal**? I think it's a big deal, and here's why.

 The EU has been conducting a bold experiment for the past 25 years. When the Lisbon Strategy launched in 2000, it was built on three pillars: smart, inclusive and sustainable. Ever since - and most notably through the EU Green Deal - Europe has been trying to demonstrate that sustainability is a pathway to competitiveness. So how is that going?

 Well, Europe still has the most ambitious decarbonisation strategy of any major economy, and is more or less on track to achieving its bold goals. But three factors have put the EU's clean competitiveness dream under pressure:

 1. **Russia's** invasion of Ukraine and the resulting spike in hashtag#energy prices. Albeit that this has increased Europe's resolve to reduce dependence on fossil fuels, in the short term, economies are having a tough time, and the voting public is never patient.

 2. **America's** leapfrogging on cleantech stimulation, notably through the Inflation Reduction Act, which put investment in clean technologies like renewables and EVs on steroids. That "threat" has all but disappeared with Trump's love affair with fossil fuels.

 3. **China's** rapid emergence as the clean tech superpower and the world's first electrostate. The whole world is benefiting due to plummeting prices on solar, wind, batteries and EVs, but since Europe no longer has technological superiority, it is hard to compete.

 So, what to do? Should Europe give up on its Green Dream? To its credit, unlike so many others whose sustainability commitments are evaporating like puddles in the desert, Europe is doubling down.

 Case in point: The EU's new Clean Industrial Deal. It is a pragmatic response to tough economic conditions on ground - prioritising ways to get energy prices down - while investing more in the clean tech transition, from boosting demand for clean products to supporting the circular economy. Europe and the world needs this experiment to succeed, to give us all hope for the future.

 Here's a good summary.

Source:

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