Dear Commissioner Bienkowska,

On behalf of Europe’s Cement, Chemicals, Refining and Steel industries we would like to express our appreciation for our meeting with you on 4th September and underline our ongoing support for this dialogue. We felt that this was a very constructive discussion and we appreciate your leadership for creating such an effective engagement between Energy Intensive Industries and the Commission.

We would like to take the opportunity to reiterate our main points:

Today our industries supply a large portion of Europe’s steel, cement, concrete, plastics and chemicals, and liquid fuels. We believe that our industries can and should be part of the industrial and energy future of Europe and part of the solution to climate and environmental challenges. These products will continue to be essential for the European economy, being fundamental to many value chains.

Each of our industries has already done extensive work to develop and understand the technologies necessary to reduce GHG emissions to the environment. These technologies (in particular renewable power to industrial processes and heat, CCS, CCU, green/blue hydrogen, biomass, sustainable and advanced biofuels) are all at pilot or at demonstration scale and there are examples where we have already invested in first deployment. However meeting the proposed 2050 targets will require the upscaling of these to industrial scale and industry-wide roll-out. We should be clear that these technologies and processes typically also come with very significant cost challenges (Capex and Opex) compared with the existing competitive production technologies.

The joint consultancy work with the 11 Energy Intensive Industries (EII) that is currently being finalised sets out a wide range of challenges that must be overcome in order to meet Europe’s mid-century goals in addition to the costs to industry. Not least of these is the need to understand the future availability and costs of the significantly increased electrical power required by industry.
It is clear that the pathways described by the joint work are extremely ambitious for Europe, but in order to meet global climate goals, the same transitions will also be needed at large scale across the world. To achieve this there will have to be substantial development of climate policy within Europe, but also for international policies. We are committed to continue the dialogue and collaboration with the Commission and with EU governments to support this.

We must be realistic about the investment and competitiveness challenges facing us as we plan industrial transition. Each of our industries are truly global, and company leaders have to think in global terms for investment and also markets for products. Each investment needs to make sense to global investors and shareholders, and also the production of new lower carbon products will need to supply a sufficiently large and reliable market demand for such products. It is also important that we can see that this transition will go beyond a “special case for Europe” and will be embraced by other world regions.

Business decisions to build first large projects should benefit from strong EU and national policy support measures such as innovation funding and fiscal measures. However for very large scale roll-out, it is essential that markets for lower-carbon products are established such that reliable widespread demand will exist for 15-20+ years. Throughout this transition, Europe’s industries must be kept competitive.

Our requests to you for the next steps in the work of the Commission are as follows:

To fully recognise the strategic importance of Europe’s Energy Intensive Industries within Europe’s Industrial Strategy and Long-Term Strategy.

To include the technologies set out in the EII Collaborative work into a new Mission within Horizon Europe: Low Carbon Industry Transition, to include transitional and lower-carbon as well as zero-emissions industrial technologies.

To promote and enable the creation of a Staff Working Document on industrial transition as part of the Commission’s Long-Term Strategy. We believe that the collaborative work of the EII can be an important contribution to such a document.

To develop concepts for the legislative framework to keep the industry competitive in the internal and global markets throughout the transition and thereafter. Europe does not only need breakthrough technologies, it also needs breakthrough policies.

To continue this dialogue and collaboration with an objective to further the development of European policies for energy and climate, toward a long term goal of policies with a consistent, international, economy-wide carbon price signal, technology neutrality, and cost-effectiveness as core principles. Additionally, to explore avenues to internationalise Europe’s policies and climate action, toward global alignment.
We would like to express again our appreciation for the constructive dialogue and to affirm our commitment to continue this with yourself and also with your Commission colleagues.

Yours sincerely,

Giuseppe Ricci
Chief Refining & Marketing Office, Eni S.p.A.

Phillipe Ducom
President, ExxonMobil Europe

John Cooper
Director General, FuelsEurope

Saori Dubourg
Member of Board of Executive Directors
BASF

Markus Steilemann
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Marco Mensink
Director General, CEFIC

Marcel Cobuz
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Jaime Elizondo
President Europe, Member of Managing Board
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Dr Hans Fischer
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Cc: Mr Carsten Bermig, Cabinet Expert, Cabinet of Commissioner Bienkowska
Mr Gwenole Cozigou, Director, DG GROW