

# Keynote speech by Vice-President Maroš Šefčovič at EU Industry Day – EU industry leadership in the transition to a low carbon society

I am delighted to welcome you to this **first edition** of the **Clean Energy Industrial Forum**

Back at the end of 2016 when we announced it in the Clean Energy Package, this forum seemed like a distant dream.

It is now taking place and, even more importantly, it has been prepared intensively **by** and **for** the industry – with collective and concerted actions, pledges, targets, projects and partnerships etc. We will hear more about them today and tomorrow.

This forum gives an opportunity to showcase what **you** are doing to boost EU leadership in the clean energy transition.

Of course in the same way as the Energy Union is not just about energy, its Industrial forum is not just about industry: it is about modernising and energising our economy, with innovators, workers, cities, investors, on board.

It is about delivering jobs, growth and investments for Europe.

But it is also about seizing the impressive growth opportunities created outside Europe for clean energy solutions – this is a fantastic opportunity for the EU industry at large.

We have a very positive story to tell. But it is in the making.

Our climate and energy targets, our regulations, our financing instruments are already being transformed into investments, innovation, growth and jobs.

Thanks to our joint determination, some 9 million Europeans are already working in the clean energy sectors. And we can expect this number to double by 2030.

The EU has great innovative and industrial assets to drive this transition. We will hear about them. But I would go one step further: our greatest **competitive** assets are the **values** we uphold. The only way to build and consolidate EU industry's position as frontrunner in the global clean energy transition is to defend these core values.

To stay or become the global leader in innovation, decarbonisation and digitisation we must therefore:

promote a rule-based multilateral system (fighting protectionism),

- forcefully pursue our sustainability agenda (“making our planet great again”),
- make sure that our competitiveness and social models work hand in hand (long term prosperity should also mean lowering inequalities)
- support and empower our citizens, cities, communities, our ecosystem to develop new business models, with smarter ways of living, consuming, working and moving around

I do not want to make the usual pitch about what the Commission has done – most of you are already very familiar with our Clean energy and Clean mobility packages. They are necessary. But not sufficient.

What is needed is **industrial ownership** of and **leadership in** the Energy Union project. We know the energy transition and the global fight against climate change will not succeed without the industry. You are the key drivers of EU innovation and global competitiveness. And since I have started this mandate, I certainly have witnessed that things are moving. European business forcefully embarking on this journey like never before

1. **So, why is this forum timely ?** Because as you very well know competition in the global market place is fierce. And let’s be frank: in some areas (such as PV cells and modules) it is not that emerging economic power are catching up. They are now clearly one step ahead of us ! China has become the largest clean energy investor in the world. And other Asian countries are striving to become or stay first-movers (Koreans in batteries for instance). We can still overpass them but we need to act fast. So our future is being decided now. What we do today – not tomorrow – will define if we can be frontrunners, followers or the laggards of the fourth industrial revolution.

2. **What do we need to focus on?** Establishing Europe’s **strong industrial and manufacturing base in strategic sectors**. This is critical to our competitiveness but also to maintaining Europe’s capacity to innovate and remain at the cutting edge. It is the only way to bridge the deployment gap (so-called “valley of death” for our innovation). Yes, we should massively and strategically invest massively into disruptive innovation to achieve our climate goals. But we should also have the manufacturing base in place to convert this into competitive advantage. Otherwise we become the “incubator” of the rest of the world, and our innovators end up responding to the Siren calls of our global competitors, despite our initial investment.

3. **How do we achieve that?**

Through robust partnerships. This is what this first edition is about: **creating robust partnerships and announcing concrete actions**. Public-private partnerships of course. But even more importantly partnerships inside the full value chain, and joint action plans.

To prepare for the Forum, an impressive work has been done by a very wide array of actors covering entire value chains – and I want to thank them for that.

In three strategic areas for the Energy Union: batteries, renewables and construction. In three industry-led initiatives, actions have been or are being agreed that will be instrumental to deliver on our energy and climate goals in the future.

**Batteries:** they are a – if not the – key enabler for our mobility and energy systems. Developing a competitive manufacturing value chain for batteries, in Europe, is not just a precondition to prevent major technological dependence upon our global competitors. It also has huge jobs, growth and investment potential – up to 4 to 5 million jobs could be created ! A surge in battery demand is expected over the next 5 years. This represents a new market of around 250 billion euros a year. If we get our act together.

Europe's **renewables** industry-led initiative covers all renewable energy technologies and the full sectoral supply chain, from material developers, to technology providers, passing through project developers. This in itself is a first. You will hear about the priorities identified by all those actors.

The work is intensifying on **construction**. Buildings consume 40% of the EU's final energy demand, more than any other sector. So large energy savings can be done. The Smart Finance for Smart Building has just been set up by the EIB. It will act as a formidable leverage instrument (up to EUR 10 billion for EE in buildings). This initiative could take up to 3 million families out of energy poverty. But we need to go further to reduce the significant resource and environmental footprints all along the buildings' life cycle.

As part of the clean energy forum a number of workshops, organised by stakeholders, industries and start-ups will feed into our reflections, covering: the link between digital and circular economy, the clean mobility sectors, low carbon industrial innovation in energy intensive sectors, and an exhibition of our world class start-ups that will be opened in Covent Garden later this afternoon. So quite an ambitious programme !

These industry-led initiatives, workshops and exhibition showcase our thriving ecosystem and global competitiveness.

Tomorrow, Commissioner Moedas will launch a 'European prize on batteries', rewarding our collective efforts to promote innovation in that sector.

And you will find us both at the signing ceremony for the first ever Innovfin EDP loan to impressive batteries manufacturing project in Sweden.

I do hope that in these two days we will discuss both concrete areas of common action, but also our level of ambition.

I would also like to make the link with efforts undertaken by cities in Europe and in the world – very significant action is taking place thanks to local authorities. So they are creating the demand. And it is up to EU industry to respond to it, by deploying state of the art innovative solutions : decentralised energy production, smart buildings, charging infrastructure for electric and other vehicles, clean car sharing services etc.

Today the EU Covenant of Mayors is meeting and will report to us tomorrow on

what they can offer and expect from industrial and innovation stakeholders.

Finally, I am convinced that this Forum will be feed into the high-level discussions of the 'Clean Energy Ministerial' and 'Mission Innovation' meetings in Malmö and Copenhagen on 23-24 May 2018. The EU is co-hosting these annual events with the Nordic Council. All major economies will be present. This will be a great opportunity to show that when Europe claims leadership in the clean energy transition and innovation, **"we mean business"**. By that time, the World should know what we – European industry, policy-makers, researchers, innovators, cities, investors – are collectively delivering.

I wish you fruitful discussions in this special first edition of the Clean Energy Industrial Forum.