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## MEPs back plans to boost Europe's Net-Zero technology production

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- Aims to increase EU share in the global market for decarbonisation technologies
  - The Act supports manufacturing of the key technologies needed to achieve the EU's climate goals
  - MEPs propose faster authorisation procedures and net-zero industry clusters
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### **On Tuesday, Parliament adopted its position on legislation intended to bolster Europe's manufacturing output in technologies needed for decarbonisation.**

The "Net-Zero industry act" sets a target for Europe to produce 40% of its annual deployment needs in net-zero technologies by 2030, based on National Energy and Climate Plans (NECPs) and to capture 25% of the global market value for these technologies. It also intends to deal with the challenges in scaling up manufacturing capacities in these technologies.

In their amendments, MEPs broadened the scope of the draft legislation to encompass the entire supply chain, including components, materials, and machinery for producing net-zero technologies. They propose a wider, more comprehensive list of technologies to be covered, to be updated periodically. Notably, MEPs included nuclear fission and fusion technologies, sustainable aviation fuels (SAFs), and specific industrial technologies.

### **Net-zero industry valleys**

The law retains two project classifications: net-zero technology manufacturing projects and net-zero strategic projects. It also aims to streamline the permitting process, setting a timeline of 9 to 12 months for regular projects and 6 to 9 months for strategic projects to be authorised. MEPs propose the creation of "Net-Zero Industry Valleys" initiatives, speeding up the permitting

process by delegating parts of the environmental assessment evidence collection to member states.

The legislation would earmark funding from national Emission Trading System (ETS) revenues and for most strategic projects through the Strategic Technologies for Europe Platform (STEP), a step towards a European Sovereignty fund, MEPs say.

### Quote

“With the adoption of this proposal, MEPs are showing they are serious about making Europe fit for industrial manufacturing. Without these steps to reduce the administrative burden, speed up processes, and increased public investment in our industry and innovation, Europe would face decarbonisation by deindustrialisation. This proposal shows we can prevent this”, said lead MEP [Christian Ehler](#) (EPP, DE).

### Next steps

The legislation was adopted with 376 votes to 139, with 116 abstentions. Once Council has also adopted its position, talks on the final shape of the law can start.

### Background

A considerable amount of clean energy technology is needed to support reaching Europe's 2030 and 2050 climate targets. Europe largely imports these technologies, and many non-EU countries have stepped up their efforts to expand their clean energy manufacturing capacity. The proposed regulation would aim to ensure that, by 2030, the manufacturing capacity in the EU for these strategic net-zero technologies reaches an overall benchmark of at least 40% of the EU's annual deployment needs. It would also set an EU level target for annual CO2 injection capacity by 2030 (50 million tonnes).

### Conference on the future of Europe

The "Net Zero Industry Act" aligns with the conclusions of the Conference on the Future of Europe by supporting the EU's objective to enhance European energy security, achieve energy independence, and ensure a just transition while providing affordable and sustainable energy (Proposal 3). This objective aligns with the EU's role as a global leader in sustainable energy policy and aligns with global climate goals. Specifically, the Act reflects Proposal 3 (measures 1, 3, 5, 6), Proposal 11 (measure 1), Proposal 12 (measure 5), Proposal 17 (measure 1), and Proposal 18 (measure 2), which collectively aim to foster a sustainable, resilient, and independent energy framework within the EU.

## Further information


[Adopted text \(21.11.2023\)](#)  
[Video recording of the debate \(20.11.2023\)](#)  
[Committee on Industry, Research and Energy](#)  
[Procedure file](#)  
[EP research briefing](#)  
[Legislative train: net-zero industry act](#)


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