

ARE THE COMMITMENT TO INDUSTRY AND CARBON NEUTRALITY COMPATIBLE?

Posted on 29/03/2021 by Naider



*Original article published by Confebask ([link](#))

Europe wants

reverse the trend of industrial decline and recover the weight and competitiveness of its industry (reach 20% of GDP for activities manufacturing companies by 2020) while considering carbon neutrality by 2050. The logical question is whether both objectives are feasible and, very much especially, if they are really compatible with each other.

The core

The core of industry in Europe is made up of sectors that are intensive in energy such as the manufacture of steel, cement, glass, smelting of metals, paper, ceramic products, fertilizers and products chemicals that, together, account for practically all the consumption of energy and greenhouse gas emissions from industry. His Furthermore, its importance goes far beyond its weight in GDP, since it is extends to the economy as a whole through its core participation in key value chains such as transportation, construction, infrastructures or power generation.

Politics

climate change and the commitment to neutrality implies prices that are progressively higher carbon emissions and adds to the already intense and growing competition from third countries, a growing threat of relocation of these activities in countries that are not so demanding with their climate policy and that, therefore, they do not tax or do so less intensely on greenhouse gas emissions. greenhouse effect.

With these threats in the offing, great care must be taken so that Europe and also the planet do not end up in a fateful, frustrating and paradoxical result contrary to its great strategic objectives: a lower weight of its industry due to the loss of intensive companies in the use of energy that are installed in other countries and a greater volume of global emissions. Because, we have to remember, that the environmental drawback of manufacturing steel or other energy-intensive products is independent of where its production is located.

We do nothing

around the planet by manufacturing steel and other energy-intensive products in Europe with state-of-the-art technology and free of emissions, if the majority of these products end up being produced in other countries with the technologies traditional.

The

decarbonization of the industry, therefore, confronts us with a double challenge. Firstly, the need to strengthen industrial policy at all levels of competence (of course the European Commission, but also the member countries and especially regions with an eminent industrial vocation like the Basque Country). The path to 2050 will not be easy, because although the European Green Deal establishes the strategic bases, the new crisis

economic situation in which we are plunged as a result of the global pandemic of COVID 19, incorporates serious uncertainties in the socioeconomic panorama that will have to be carefully analyzed and managed.

Politics

industry will have to be able to help and accompany intensive companies in the use of energy in the enormous investment challenge that they will have to assume to radically transform its processes and technologies and launch new business models to manufacture quality products without emitting greenhouse gases greenhouse effect. The technological solutions that the industry needs to banishing fossil fuels and going carbon neutral are in different stadiums in their process of reaching the market and while some are already close to their commercialization potential and their implementation will keep pace with the deployment of renewables in the electricity mix, others, mainly those related to combustion processes at very high temperatures, are still very far away and will require commissioning progress of ambitious R+D+i projects, the development of infrastructures highly expensive specific applications (hydrogen storage and distribution, for example) and pilot demonstration projects at the industrial level.

Secondly, it will be necessary to accompany and complement industrial policy with adjustments in the European carbon emission pricing system so that companies find the right incentives to invest in Europe, either to transform their production processes and make them compatible with the environment, either to establish new, modern, competitive and carbon neutral plants. The incentives will have to be based on premiums to producers for the incorporation of low-carbon technology and/or tariffs on imports of certain products so that the most daring producers are rewarded and willing to incorporate changes and that they are willing to except for the potential ecological dumping of companies based in countries with less stringent environmental legislation. In conclusion, therefore, if we want to continue maintaining a thriving European industry in a carbon-neutral world, let's quickly get our batteries together, since the goal is huge and we are risking our level of well-being and that of the planet

1. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions [For a European Industrial Renaissance](#).
2. The spot price in the European Emissions Trading System (EU ETS) reached double digits in 2011 and is around prices of between 20 and 25 Euros per tonne of CO₂ equivalent in 2020
3. The [Green Deal European](#) is a new growth strategy that is committed to the competitiveness of the European economy, in a society without emissions and in which economic growth is dissociated from the use of resources.

There are no comments yet.