

EU manufacturing industries sound the alarm about de-industrialisation: a call to action after the SOTEU

Brussels, 15 September 2023 – In the wake of European Commission President Ursula von der Leyen's State of the Union address, AEGIS Europe, an alliance representing over 20 European manufacturing associations and companies across various industries, sounds an urgent alarm about the deteriorating state of the European Union's manufacturing sector. *“Unfair trade practices are on the rise, creating an uneven playing field for EU businesses, while the Union's response completely underestimates the urgency of the situation. The very foundation of our economy, EU manufacturing, is under severe threat because of the twin threats of the sky rocketing energy prices and unfair trade¹”* commented Inès Van Lierde, co-chair of AEGIS Europe.

AEGIS Europe firmly supports and contributes to the EU's open strategic autonomy policy and the ambitious climate neutrality objective of the European Green Deal, but is extremely concerned about the noticeable de-industrialisation on the continent. Policymakers must ensure that the sustainability agenda, which is supported by the industry, is complemented by robust trade and investment policies that fortify the global competitiveness of EU manufacturing.

The EU needs an efficient and holistic industrial policy to preserve the existing manufacturing base and ensure a viable future for our industrial value chains. This includes ensuring complementarity and the correct implementation of the Net Zero Industry Act (NZIA) and Critical Raw Materials Act (CRMA). Both are important pillars of the EU industrial strategy to meet the objectives of the twin transition and create a more robust and predictable manufacturing future in the EU. Predictability is key for investors eager to support the industry in this transition, but confused by the EU's changing regulatory landscape.

The EU's solar panel industry serves as a stark example of the consequences of inaction. Years of aggressive dumping from China, coupled with an inadequate response from the Union, have left this sector in shambles. Today, the solar panel sector is considered strategic and necessary for economic security. Had the EU implemented effective anti-dumping measures a decade or more ago, the EU could now have been home to a thriving and robust solar panel industry. As a matter of principle AEGIS Europe welcomes all investigations into distorting subsidies, including on Chinese electric vehicles (ELVs).

It is paramount that trade rules be rigorously upheld to safeguard our open economy, including stringent sustainability and social standards in Free Trade Agreements (FTAs). The Union must remain vigilant and recognise that systemic rivals seek to undermine EU manufacturing by flooding the market with low-priced, unfairly traded exports, which threaten our industrial base and our standing in global markets. Our capacity to export carbon clean and sustainably produced goods should not be undermined.

“The EU needs a more comprehensive strategy to revive and secure a better future for the EU manufacturing sector by implementing robust trade and industrial policies that restore the level-playing field and maintain the Union's leadership in the global marketplace”, concluded Renaud Batier, co-chair of AEGIS Europe.

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¹ For more details on the AEGIS Europe position please refer to our policy documents [here](#) and [here](#).

About AEGIS Europe:

AEGIS Europe is an industry alliance that brings together more than 20 European manufacturing associations and companies representing the whole value chain from metals and ceramics to transportation industries committed to manufacturing in the EU on a truly level playing field ensured by a rules-based free and fair international trade. Our members account for more than €500 billion in annual turnover, as well as for millions of jobs across the EU.

