

19 June 2025

Joint Statement of Industry and Employer Organisations on CISAF and the Need to Support Industrial Electricity Prices

We are writing to express the urgency for opening a window for measures that support industrial electricity prices in order to halt the wave of deindustrialisation that Europe is experiencing. According to an analysis by the European Trade Union Institute, the number of people employed in manufacturing has fallen by 853,000 between 2019-2023, with the challenges facing industry showing no signs of disappearing. The burden is especially severe in Member States with structurally higher electricity costs distorting the Single Market and hitting energy-intensive firms hardest.

Europe's decarbonisation strategy depends on electricity available at globally competitive prices—whether for direct electrification or other electricity-intensive routes such as hydrogen and CCUS. Yet, despite strong renewable penetration, prices remain far above pre-crisis levels and significantly higher than those in competing economies that do not price CO₂. Compass Lexecon's 2024 analysis for BusinessEurope confirms this price gap will persist, undermining the business case for industrial decarbonisation.

While the Clean Industrial Deal is a positive step forward, it fails to provide the necessary short-term relief. Given the sense of urgency and the need to bring prices down now, the Clean Industrial State Aid Framework must contain bridging measures that help regain competitiveness now – well before other structural measures deliver results.

Previous efforts by several Member States¹ to introduce targeted and well-designed support schemes aimed at lowering industrial electricity prices have repeatedly failed to gain Commission approval, largely due to what we see as an overly rigid application of state aid rules. This is despite the fact that such measures could play a crucial role in accelerating decarbonisation – by ensuring a viable business case for electrification – while also offering an answer to the growing threat of deindustrialisation in Europe.

The Clean Industrial State Aid Framework represents one of the few remaining opportunities to turn the tide, but the measures contained in the draft are clearly insufficient to make a difference and, on the contrary, risk creating unnecessary barriers if the application of the “Do No Significant Harm” principle continues to disadvantage the use of transitional technologies. At the same time, the upcoming European Competitiveness Fund must complement CISAF by offering additional resources and simplified access for industrial decarbonisation projects, especially in Member States with limited fiscal space. In this context, we urge you to include provisions that can finally allow our industries to combine decarbonisation with competitiveness in order to boost manufacturing production and employment in the EU.

¹ Examples include Greece's “Green Pool” and Italy's “Energy Release 2.0”.



Slovakia