

## Press Release

### Prioritising Demand Creation for a European Green Industrial Future

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EREF supports a renewed focus on demand creation as a critical strategy to accelerate Europe's industrial decarbonisation and sustain long-term competitiveness. In alignment with a broad coalition of industry associations, NGOs, research institutions, and companies, EREF urges the European Commission to place demand creation at the forefront of its legislative agenda, particularly within the Clean Industrial Deal, Circular Economy Act, and Industrial Decarbonisation Accelerator Act.

An important driving force behind this call for action is the Demand Creation initiative, launched by EREF member NVDE, the Dutch Sustainable Energy Association. The initiative (accessible at [www.demandcreation.eu](http://www.demandcreation.eu) and supported by its coalition partners) seeks to establish robust European markets for cleaner industrial products, which is crucial for stimulating investment and innovation across the continent.

As Olof van der Gaag (Chairman of NVDE) highlights: "When a broad coalition like this calls for policies that require sustainable products, you know that something exceptional is happening. This is a clear call to secure the future of European industry through sustainable production. Europe is already on the right track. Continuing with more sustainable production offers many opportunities. Demand creation is a necessary next step."

Over recent decades, significant progress has been made in greening European industry – renewable energy production has surged, energy efficiency has improved, and cleaner technologies have proliferated. Yet investment in sustainable industrial transformation is now slowing. Companies face rising costs, shrinking markets for cleaner products, and fierce competition from lower-cost non-EU producers. This downturn risks triggering an industrial exodus, undermining both climate targets and economic stability.

#### The Case for Demand Creation

Although tools such as the Carbon Border Adjustment Mechanism (CBAM) help level the playing field, they fall short of creating stable markets for cleaner industrial goods. EREF supports establishing European markets closer to the end of value chains to foster demand creation. By implementing off-take mandates and similar market-based



requirements, this approach would guarantee consistent demand for cleaner-produced plastics, synthetics, steel, building materials, and fuels.

Implementing these measures is anticipated to:

- Stimulate investments into sustainable production capacity and encourage innovation.
- Foster the creation of new renewable product value chains.
- Strengthen Europe's industrial autonomy and resilience by encouraging production and innovation on European soil.
- Speed up the transition to sustainable energy and raw materials, vital for achieving long-term decarbonisation goals.

EREF believes that creating predictable demand will send clear signals to investors, which is essential for accelerating the green transformation process.

### **A Timely Intervention**

With only 15 years remaining until emission allowances for industry expire, the window for decisive action is narrowing. Demand creation provides a means to unlock stalled investments and initiate the transformation needed to secure Europe's economic and environmental future. EREF strongly suggests that, alongside existing mechanisms like the EU Emissions Trading System (ETS) and CBAM, demand creation should be integrated into forthcoming legislative frameworks to stimulate a new wave of industry investments.

### **For more information, please contact**

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