

# **Open letter – European Industry needs the predictability of a robust EU Emissions Trading System (EU ETS) to Compete and Invest**

Brussels, 9 March 2026

**To the attention of: Heads of State and Government**

**CC: Council President Costa, Commission President Von der Leyen, Executive Vice-Presidents and Commissioners**

Like the European Council, we the undersigned, representing more than 100 companies and investors, are deeply concerned with the competitiveness of European industry: the diagnosis the Draghi report provided now 18 months ago still holds true. This comes at a time when the global context has become even less stable, less predictable and less open.

In the current geopolitical context, Europe's security and sovereignty hinge on building a more competitive and resilient economy, moving away from volatile fossil imports towards capitalising on our clean energy potential, highly educated workforce and strength in innovation. It is time to build both foundational industries – steel, cement, chemicals, glass, aluminium – and new strategic technologies: clean energy production, batteries, electrolysers, grid and efficiency technologies. In our view a robust EU ETS is critical to achieving this.

At the recent Antwerp Industry Summit and your retreat at Alden Biesen, calls have grown louder to ease pressure on energy intensive companies in the name of competitiveness. However, instead of focusing on the structural causes of economic erosion - higher energy prices set by fossil fuels, unfair competition stemming from global overcapacity in certain sectors, insufficient integration of the single market - discussions have been misdirected towards amending or even suspending the EU Emissions Trading System (EU ETS). This would be a serious misdiagnosis of the problem.

The EU ETS is a competitiveness engine for Europe as well as being the cornerstone of the EU's decarbonisation framework. It has driven billions of euros of investments by early movers, has provided a market signal for innovation and can be the demand signal for European cleantech solutions to scale. Undermining it would not aid the competitiveness of European industries – it would erode investment certainty and damage Europe's industrial future. It would privilege incumbency over transformation, penalise first movers that built business cases and invested in decarbonisation, and leave the EU without a serious gameplan to compete in new industries. In fact, the debate on weakening the ETS is already having a chilling effect on capital markets and financiers' willingness to finance decarbonisation investments.

The recent smooth policy process setting a compromise for CBAM simplification shows how carefully considered adjustments, based on solid evidence and a thorough impact assessment, can reduce burdens while keeping ambition intact.

The upcoming revision of the EU ETS offers an opportunity to improve its design in very targeted ways, while remaining crystal clear on the trajectory. Regulatory stability and clarity on the long-term outlook will be critical to unlocking investments in Europe.

For example, a key opportunity in the ETS revision is to significantly improve the strategic use of ETS revenues, at EU level but particularly within Member States that collect the vast majority of revenues. Today, too few of these ETS revenues are re-deployed by Member States to improve the bankability of decarbonisation projects in industrial sectors. In the next phase of the ETS they must be strategically deployed to strengthen our clean industrial capacity. This is particularly true of industrial electrification, which is critical to European competitiveness. Revenues need to be channelled toward accelerating industrial electrification by enhancing access to low-carbon energy and supporting breakthrough technologies that reinforce the EU's industrial base and its strategic autonomy.

Key elements required to ensure a competitive EU industry and an effective use of EU ETS revenues include:

- Continuing the deployment of abundant, firm and affordable clean power, paired with long term investments in grids, flexibility, efficiency and storage to enable electrification at scale.
- Assessing near term options to support industry, which could include using Member States ETS revenues to support long-term clean industrial Power Purchase Agreements (PPAs) to provide sufficient predictability for capex heavy industrial decarbonisation investments. This could also involve removing impediments for industrial companies to co-locate onsite clean energy generation, batteries and thermal storage ahead of grid expansion, and accelerating connection to the electricity grid.
- Ensuring that the CBAM functions effectively and, where justified, is extended to prevent carbon leakage in the value chain and additional sectors.
- Ensuring that ETS revenues, the Innovation Fund and Modernisation Fund are effectively disbursed towards scaling up clean technologies.

Europe must remain predictable, credible and ambitious to attract the investments we need to compete globally. Maintaining a strong ETS, refined where necessary, but not diluted, is essential to that objective.

**We urge the European Council to adopt a clear statement at the European Council of March 19<sup>th</sup>-20<sup>th</sup> that removes for investors and markets any ambiguity about Europe's path towards energy security, competitiveness and decarbonisation and emphasise the need for an EU-wide response to shared challenges in the spirit of the single market.**

Yours Sincerely,

AG der Dillinger Hüttenwerke	Extantia	Lita Gestion
Arctic Reflections	FertigHy	LKAB
Aster	Future Food Fund	Mantle8
Baseload Capital	Genvia	Marble
Battolyser Systems	GET Fund	Matteco
Bisly	GNE Ventures	Mirova
Capricorn Partners	GravitHy	Modvion
Carbon Equity	GreenCap Solutions	Move Energy
Carbonaide	H2Site	Newheat
CarbonBlue	Heidelberg Materials	NextGen
CarbonFix	HOLCIM	Nordea Asset Management
Cemvision	Hydnum Steel	Nordic Alpha Partners
Corbion	Hydrogène de France	Norrskan
CorPower Ocean	ICODOS	Novonesis
Cylib	Ineratec	Öresundskraft
Danfoss	Ingka Group   IKEA	Ørsted
Demea	Ingrid	Outokumpu
Ecocem	INOBIOSTAR	Planet A
Ecolocked	Inspire Invest	Plastic Energy
EDF	Jälle Technologies	PT1
Electrochaea	Kappazeta	Recarber
Elyse Energy	Klima	REGA Energy
Energy Dome	LeydenJar	Reverion
EWE AG	Lhyfe	Rockwool

Rondo	Vidia Equity
Saarstahl AG	Volvo Cars
Salzgitter AG	World Fund
SAP	Zero Carbon Capital
Satgana	Zero Terrain
Signify	ZeroEx
Sirona Technologies	Zubi Labs
SKYCORP Technologies	
Sol Navitas	
SSAB	
Stargate Hydrogen	
Stegra	
Stockholm Exergi	
Sunfire	
Sweetch Energy	
Taaleri	
Tata Steel	
Techleap	
TiLT Capital	
Trill Impact	
UP Catalyst	
Vattenfall	
VELUX	
Vianode	