

Dear colleague,

I'm the Regional Minister for Industry of the Government of Navarra, and a former Member of the European Parliament and the Committee of the Regions (CoR).

Navarra is a pioneer and leader at European level in terms of the production of renewable energies (our first wind farm was set up back in 1994), with a historic technological and industrial commitment to its development and the implementation of new global standards for wind energy. The industry represents the 31% of our GDP, and the renewable energy sector (5% of the GDP) employs around 13000 professionals (more than 2% of the total population), including companies as Siemens Gamesa (1800 workers), Nordex Acciona (1300 workers) and a complete value chain of more than 110 companies, organized in our Energy Cluster (Enerluster).

Over the past few years, renewable industry has faced challenging financial conditions marked by declining profit margins, increased competition from cheaper Asian manufacturers, and supply chain disruptions exacerbated by the COVID-19 pandemic. Despite the rapid global expansion of the renewable energy sector, the **European renewable industry is experiencing a slowdown in business, facing a critical situation**. In fact, in the last six months **closures, continued losses and massive job cuts in European companies have accelerated**, affecting equally to wind, solar and storage manufacturers. This is attributed to various challenges, including increasing competition from lower-cost international suppliers, rising raw material prices, and regulatory hurdles.

We are deeply concerned about the current situation. According to the CoR *"all EU industrial manufacturers are in a difficult financial situation and that this could drag down the entire value chain of European industry, affecting thousands of jobs throughout the EU, the Committee proposes the creation of a '**made in and by Europe**' label that would establish the obligation of a **minimum of local content** in wind turbine components, as is currently done in countries such as Brazil, China, the United States and India, among others"*

Europe needs to react. We regional governments are the ones who sit in front of companies, mostly SMEs, accompany and support them, and also listen to them when they tell us about their problems and concerns. Sitting in front of a works council that has just been informed of the closure of its company is an experience that we cannot and should not take on. For this reason, **we have prepared a Declaration**, which we ask you to join us in asking the European Commission for an effective response, including measures to protect our industry, equivalent to those already applied in other continents (for example, the so-called 'local content').

I am at your disposal to organize a brief conversation to discuss this Declaration in person.

Kindest regards from a regional minister who believes in the potential and future of European industry,



Dr Mikel Irujo Amezaga
Regional Minister for Industry and Ecological and Digital Business Transition
Government of Navarra

European Industry in a Critical State: Need to Establish Measures that Guarantee a Level Playing Field for Competitiveness

The European Regional Governments, in our duty of ensuring the general welfare of citizens, the preservation of wealth and high-quality employment in our regions, observe with concern how paradoxically, at a time of unprecedented expansion of renewable capacity in Europe, the European renewable industry is being excluded from the market instead of actively participating in these projects. Therefore, we, the undersigned, declare that:

1. The European renewable industry has long been experiencing a continuous weakening, with objective evidence of a drastic reduction in revenue and profitability, and **is currently facing an extreme situation.**
2. **Legislative measures adopted by the European Union**, such as the Net Zero Industry Act (NZIA), the Wind Power Action Plan (WPAP) and the European Solar Charter (ESC), **have proven to be insufficient to promote manufacturing within Europe**, and there is no evidence that these regulations can reverse the current trend, either in the short or long term.
3. **More far-reaching measures should be established in order to ensure a level playing field for business competitiveness and to explicitly promote manufacturing in Europe.** Other world leaders in the energy transition, such as the United States and India, have already successfully implemented similar policies. The **European Committee of the Regions** also supports this vision, as stated in **Article 58 of its opinion CdR-0710-2024**, adopted at its 162nd plenary session on 7-9 October.
4. In light of **the possibility opened by the Clean Industrial Deal**, it is essential to implement specific measures to protect the value chain, not only to **preserve employment and know-how in this strategic industry**, but also to **guarantee the European Union's energy independence.**
5. We are at a decisive moment to define the necessary actions to protect and strengthen the renewable industry and, **given the urgency of the situation, we call on the competent European institutions to address this issue immediately and with all the resources at their disposal.** Otherwise, we will face the loss of a key industry for the future of Europe.

[Emblems of the signing regions]