

The European Commission should not lose the Compass on renewable and low-carbon fuels!

Brussels, 29 January 2025: FuelsEurope welcomes the European Commission's 'turn to action' to secure the EU's future as an economic powerhouse and investment destination, as outlined in the Communication "*A Competitiveness Compass for the EU*", but reiterates the need to recognise the urgency of developing a strategic action plan for the liquid fuel sector.

The EU fuel manufacturing sector is critical to Europe's energy security, affordable mobility, and competitive industrial value chains, supplying fuels for all transport modes and feedstocks for petrochemicals and other uses. FuelsEurope is pleased to see the recognition of renewable and low-carbon fuels among the pivotal components in the transition to a sustainable and competitive economy in the scope of mobility. This acknowledgement marks a step forward in establishing the role of innovative and technology-neutral energy solutions in achieving the EU's ambitious climate neutrality and industrial competitiveness goals. Regrettably, in the context of the 2035 climate target for cars, a true technology-neutral approach has been overlooked, limiting the targeted amendment only to recognise e-fuels and neglecting sustainable biofuels and other low-carbon and renewable solutions.

More in general, FuelsEurope is concerned about the absence of a dedicated strategic action plan for the refining and fuel manufacturing industry in the Competitiveness Compass among the sectors listed. Our sector plays a vital role in achieving the EU's goals; not only in transport decarbonisation but also in job creation, innovation, and energy security. A clear and

forward-looking strategy is crucial to unlock investments and ensure the competitiveness of low-carbon fuel production.

Therefore, "we reiterate that the need of developing a strategic action plan for the liquid fuel sector should be recognised. The fuel manufacturing sector requires targeted EU-level measures to navigate the transition from conventional fuels to renewable and low-carbon solutions. This plan should attract investment in the EU, streamline permitting, reduce regulatory complexity, and involve stakeholders across the value chain. Delays risk jeopardizing the EU's energy transition, increasing external dependencies, and missing opportunities in the global clean technology race, all of which are outlined as the fundamental objectives and drivers of the Competitiveness Compass", stated Liana Gouta, Director General at FuelsEurope.

Guided by the Competitiveness Compass's core objectives and horizontal enablers, the fuel manufacturing industry is ready to collaborate with the European Commission, co-legislators, and stakeholders to establish and implement the necessary measures to deliver on this new approach.

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FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents, within the EU institutions, the interest of 40 companies manufacturing and distributing conventional and renewable fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

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