



## **Subject: Urgent Attention Required: Strengthening Net Zero Industry Act for Sustainable Competitiveness**

Dear Members of the European Parliament,

We are writing to underscore the critical importance of social criteria, quality jobs, and collective bargaining in the ongoing discussions surrounding the Net Zero Industry Act (NZIA). These elements are pivotal in attracting, training, and developing the European workforce necessary to meet our climate targets, power a competitive industry, and counter unfair competition from abroad.

As you are well aware, ITRE recently adopted its <u>position</u> on the NZIA. The file is scheduled for a plenary vote in November II (week of November 20th), with the deadline for amendments having passed on Tuesday, November 14th.

The NZIA holds significant weight in ensuring Europe's capacity to achieve its climate ambitions. A successful net-zero strategy extends beyond hardware and infrastructure procurement; it must also address the development of a skilled workforce crucial for the implementation of other EU legislation. Currently, Europe faces a substantial skills shortage, especially in essential net-zero fields. The Commission's research indicates a need for one million more workers in the renewable energy sector alone in the next seven years to meet our REPowerEU targets<sup>1</sup>.

In Germany, the largest solar market in Europe, a shortage of 5 million workers is predicted by 2030, with 60% of German electrical contractors in the sector currently having vacancies<sup>2</sup>. Without the necessary workforce for current and future energy projects, we risk compromising the growth and maintenance of the renewable energy sector, imperative for our industries' present and future vitality.

The era of inexpensive fossil fuels is behind us, as confirmed by the International Energy Agency, which identifies solar and wind as consistently the most cost-effective energy sources<sup>3</sup>. Neglecting energy security developments can adversely impact European competitiveness, as evidenced by recent events following the conflict in Ukraine.

China, India, and the United States are significantly increasing their renewables capacity<sup>4</sup>. China's subsidies are double that of the EU relative to GDP<sup>5</sup>, distorting the market and allowing them to dominate key net-zero technologies. These global competitors have enacted plans to secure a skilled workforce for the years to come, as seen in the requirements for apprenticeships in the United States with the Inflation Reduction Act.

Regrettably, Europe currently lacks similar measures to attract the workforce. Through discussions with both employers and workers, it is clear that pay, conditions, and opportunities for career development are what make jobs appealing. Hence, social criteria, quality jobs, and collective bargaining are

<sup>&</sup>lt;sup>1</sup> Pact for Skills: Launch of large-scale renewable energy skills partnership (europa.eu)

<sup>&</sup>lt;sup>2</sup> Solar skills shortage threatens EU targets | Reuters

<sup>&</sup>lt;sup>3</sup> Renewable power's growth is being turbocharged as countries seek to strengthen energy security - News - IEA

<sup>&</sup>lt;sup>4</sup> Executive summary – Renewables 2022 – Analysis - IEA

<sup>&</sup>lt;sup>5</sup> Chinesische Subventionspolitik: Effekte auf deutsche Unternehmen (vbw-bayern.de)





indispensable in any future industrial climate plans. The ITRE text on the NZIA and the suggested amendments could significantly address this challenge.

In many ways what is included in the text is excellent. Social criteria have been included in the Article 19, page 54, on public procurement which is welcomed. The proposed text calls for tenders to be evaluated on "their contribution to decent wages and working conditions, including where relevant the offering of apprenticeships as well as well-defined objectives in terms of skilling, reskilling and upskilling, to increase the attractiveness of employment in net-zero industry sector." The maintenance of this phrase is vital to ensure we have the workforce available from the short to long-term to achieve Europe's ambitious climate aims.

The amendments both by Marc Botenga and Damien Carême MEPs (13, 18, 26, 32 and 33) define what "quality jobs" are in a detailed and meaningful sense and what it means to have attractive jobs. We cannot expect to be able to run our current and future industries without such guarantees for workers. Training opportunities, collective bargaining, and fair working conditions are essential for the long-term attractiveness of jobs. Including such measures provides an opportunity to ensure Europe retains its skilled workforce, preventing a migration of high-skilled workers to regions with more attractive renewable industry work due to government support and initiatives.

Existing EU legislation has laid crucial groundwork for an EU green industrial strategy, and now we have the opportunity to enhance this legislation further. Prioritizing apprenticeships, reskilling, and upskilling is vital to create a Europe-wide pathway for developing the workforce required to install solar panels, build wind turbines, and maintain the grid.

Having actively engaged with our members and employers in net-zero fields for decades, we understand the challenges of attracting and developing staff at the pace required. The proposed social criteria, quality jobs, and collective bargaining elements in the current position and amendments will ensure that companies can employ workers over time and develop their skills. This, in turn, will enable Europe to collectively deliver a sustainable future, ensuring access to abundant and affordable clean energy for generations to come.

Yours sincerely,

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