

Renewable Energy Directive review – missed opportunity to fully untap the potential for clean fertilizer and ammonia production across Europe



Brussels, 30 March 2023: The final compromise on the review of the Renewable Energy Directive (RED III) sets a very ambitious renewable energy target on the industry. Fertilizer industry, as a leading producer and user of hydrogen in Europe, regrets that not all clean hydrogen technologies are to be taken into account to achieve this target. As access to abundant and affordable renewable electricity diverges widely in different Member States, the agreed approach dismisses regional differences thus negatively impacting the competitiveness of the European fertilizer industry.

On 30 March 2023, the Council and the Parliament reached a provisional agreement on the revision of the Renewable Energy Directive, including an ambitious industry-specific target.

“A great opportunity was missed in the trilogue negotiations to provide an optimal framework for the key industry sectors, such as ammonia, to ensure a timely and smooth shift towards low-carbon and renewable hydrogen” stated Antoine Hoxha, Director General of Fertilizers Europe.

Hoxha added *“The Fertilizer industry is one of the leading producers and users of hydrogen in Europe (40%). This means that our sector will be most impacted by the very ambitious RFNBO industry target. By not including low-carbon hydrogen’s potential for decarbonising European industry, we risk having an unachievable target. Or even worse, we risk losing part of the ammonia production in Europe and substituting it with imported product, which goes against Europe’s push for strategic autonomy”*

“ Ammonia, thanks to its physical characteristics, will play an essential role in any future hydrogen economy. A dedicated sectorial funding is necessary to unlock green investments and fully decarbonise our sector by 2050. H2 bank has been a welcome development, however its magnitude and a lack of dedicated sectorial financing puts a successful transition of our sector in question” stated Hoxha.



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