

Net Zero Industry Act falls short of stimulating investments in clean fertilizer production in Europe

Brussels, 16 March 2023: The European Commission Net Zero Industry Act is a missed opportunity to equalise the US IRA, attract investments and enable green transition financing for industries of strategic importance to Europe, such as fertilizers and ammonia. While the H2 bank proposal is a step in the right direction, it is regrettable that no specific support has been allocated to the fertilizer industry, which currently produces a third of Europe's hydrogen.

"The European Fertilizer Industry is facing the biggest transformation in its history. Regrettably, the proposed Net Zero Industry Act is not providing the long-term vision nor the enabling framework to accelerate the decarbonisation of manufacturing sectors vital for the EU's strategic autonomy" stated Antoine Hoxha, Director General of Fertilizers Europe.

Hoxha added *"The H2 bank proposal is a welcomed development. However, the lack of a dedicated support for ammonia, does not provide the necessary certainty to incentivise the European fertilizer industry's transformation"*. He added *"The Net Zero Industry Act primarily supports the production of decarbonization technologies while the US IRA is directly subsidising production of green and blue hydrogen giving a high degree of certainty and a real push to investors"*.

"A competitive European fertilizer sector is of key importance to ensuring long-term supply of affordable and sustainable food in Europe. The sector has also an essential role in developing the European hydrogen economy with ammonia acting as a key enabling technology. Now is the time for the EU to take decisive action to ensure a future for its domestic fertilizer industry and avoid becoming import dependent. A dedicated sectorial strategy is therefore key to develop the right legislative framework and to streamline financing to ensure a successful transformation of the sector" said Hoxha.



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