

Net Zero Industry Act: Bringing green technologies back home?

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Summary

Adopted in June 2024, the [Net-Zero Industry Act \(NZIA\)](#) aims at improving the framework conditions for the manufacturing of green and low-carbon technologies, scaling up their manufacturing capacity in EU in order to reach at least 40% of the EU's annual deployment by 2030. Is this legislation enough to make the EU home of manufacturing green technologies?

“We need a regulatory environment that allows us to scale up the clean energy transition quickly.”

Ursula von der Leyen, President EU Commission

Content

NZIA provides privileges for the manufacturing of net-zero technologies, their components and the machinery used for their production. It differentiates between strategic and other net-zero projects. Strategic manufacturing projects fulfil certain criteria and enjoy shorter time limits for permit-granting processes as well as priority status for administrative and legal procedures. Also, new sustainability and resilience criteria become mandatory for certain technologies in public procurement procedures and auctions. The Act includes also measures to boost innovation and skills. Even though the legislation does not provide measures on funding, the latter is based on the amended EU state aid rules under the Temporary Crisis and Transition Framework, EU funding schemes and private sources. You can find more information [here](#).

Pro

VDMA's sectors of machinery and manufacturing equipment are recognised as an essential part of the net-zero value chain. For the first time, the role of these technologies to reach the EU climate goals is addressed in an EU legislation.

Contra

Selecting certain technologies for prioritised treatment creates a “two-speed economy”, which can distort the complexity of the value chains, while it does not address the issue of regulation itself which is often insufficient to improve the commercial upscaling.

Our Evaluation



The NZIA legislation benefits primarily certain technologies which can distort the complexity of value chains. It is not technological neutral and does not sufficiently address the need to improve competitiveness.

40%

of the net-zero capacity to be manufactured in EU by 2030

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