

## SOLAR MANUFACTURING RENAISSANCE IN EUROPE – APPEAL FOR RRF COMMITMENT

---

The European Photovoltaic (PV) Industry is suffering from a lack of strategic policy priorities. With an import dependency and thus large economic values being lost, the whole region would benefit from a renaissance of the European PV industry. By vigorously reversing the situation and creating an opportunity for the PV industry to supply the European market, Europe can once again take control of its energy transition and improve its resilience. Now there is a momentum for Europe not only to ensure enough of PV installations as a part of the green transformation, but also to create favorable conditions for PV manufacturing to benefit from added value in Europe.

Today's pandemic situation has shown that we should not become too reliant on imports of materials. As PV's share of the electricity mix is increasing and PV is becoming one of the most important energy sources for the economy, it is of strategic importance to have a regional and local PV value chain. ESMC believes that 75% of European PV installations should be manufactured in Europe, and two thirds of the production exported outside Europe. This would amount to about 60 GW manufacturing capacities and its full production utilization in Europe by 2026. As a consequence, firstly, the current 7.4 billion euros trade deficit of PV cells and modules would be transformed into local PV manufacturing value of about 50 billion euros by 2026, secondly, around 178 000 additional jobs would be created by 2026 goods.

In 2019, Europe only produced about 11% of the PV silicon, 1% of ingot and wafers, only 0.4% of the cells and 4% of the modules in a global context. As Europe currently has about 15% of the global installation market, it is clear that European manufacturing only contributes to a fraction of the continent's demand for PV installations, while maintaining a high standard both in terms of climate footprint and quality. Based on the current market situation there is an excellent window of opportunity of 2–4 years to rebuild a competitive PV manufacturing value chain, because of a global technological shift from PERC cells to other technologies such as heterojunction or TOPCON cells.

The combination of European Green Deal targets, a post-Covid-19 environment and the EU Recovery and Resilience Facility (RRF) creates unique opportunities for Europe to strengthen and restore the PV value chains and industries. Therefore, ESMC advocates for RRF to take the strategically important PV industry into consideration and adequately reflect PV manufacturing in the national Recovery and Resilience plans, which need to be submitted to the European Commission by the end of April. The proposed RRF support should be directed towards three key pillars: PV manufacturing equipment and infrastructure, R&D and new products deployment, and dedicated special financial funds. 20 billion euros (or 3%) of the total RRF financing would ensure a real breakthrough for the European PV manufacturing industry, leading to all positive consequences mentioned above and explained in detail in the published Policy Statement. This includes inter alia generating at least 50 billion euros of local manufacturing pay-back value already within the RRF timeframe until 2026.

As PV is a clean and powerful solution to provide jobs, economic growth, and European energy security as well as address climate change, RRF could catalyze a real chance for the PV industry in Europe for accelerated growth.

**Johan Lindahl**  
Secretary General  
[lindahl@esmc.solar](mailto:lindahl@esmc.solar)

**Žygimantas Vaičiūnas**  
Executive Policy Advisor  
[vaiciunas@esmc.solar](mailto:vaiciunas@esmc.solar)