

# Recent developments in the EU industrial policy and national support programs for the electric vehicles sector. The case of Poland

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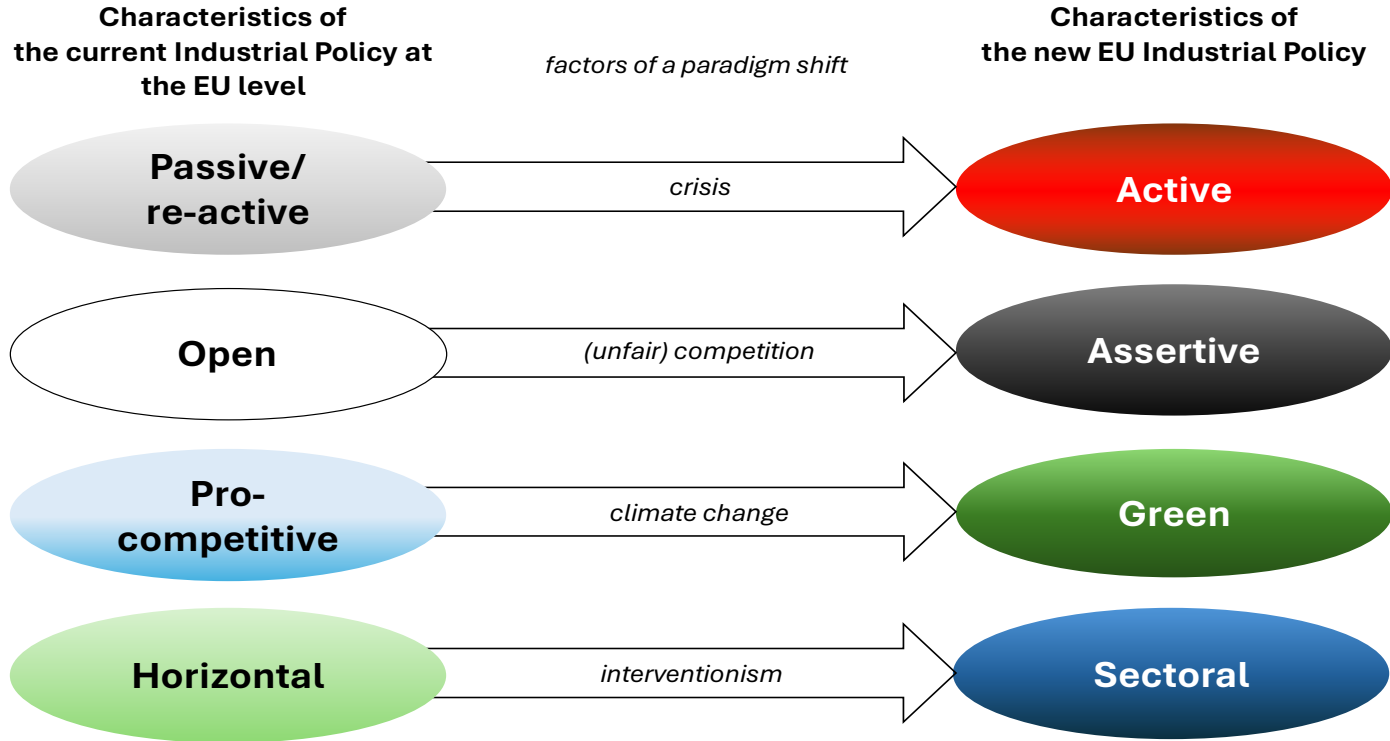
## The case of Poland

- Pack and Saggi (2006): **any type of selective intervention or government policy that attempts to alter the structure of production toward sectors that are expected to offer better prospects for economic growth in a way that would not occur in the absence of such intervention**
  - What about market economy?
- **In more complex definitions**, industrial policy activities include instruments that indirectly affect businesses, including support for R&D&I, employment, education, access to capital, energy transformation, environmental protection.
  - What about industry?
- **Industrial policy** is a set of state (public) policy instruments used
  - to achieve an industrial structure of the economy that satisfies domestic demand and, in addition,
  - to manage competitive exports to foreign markets.

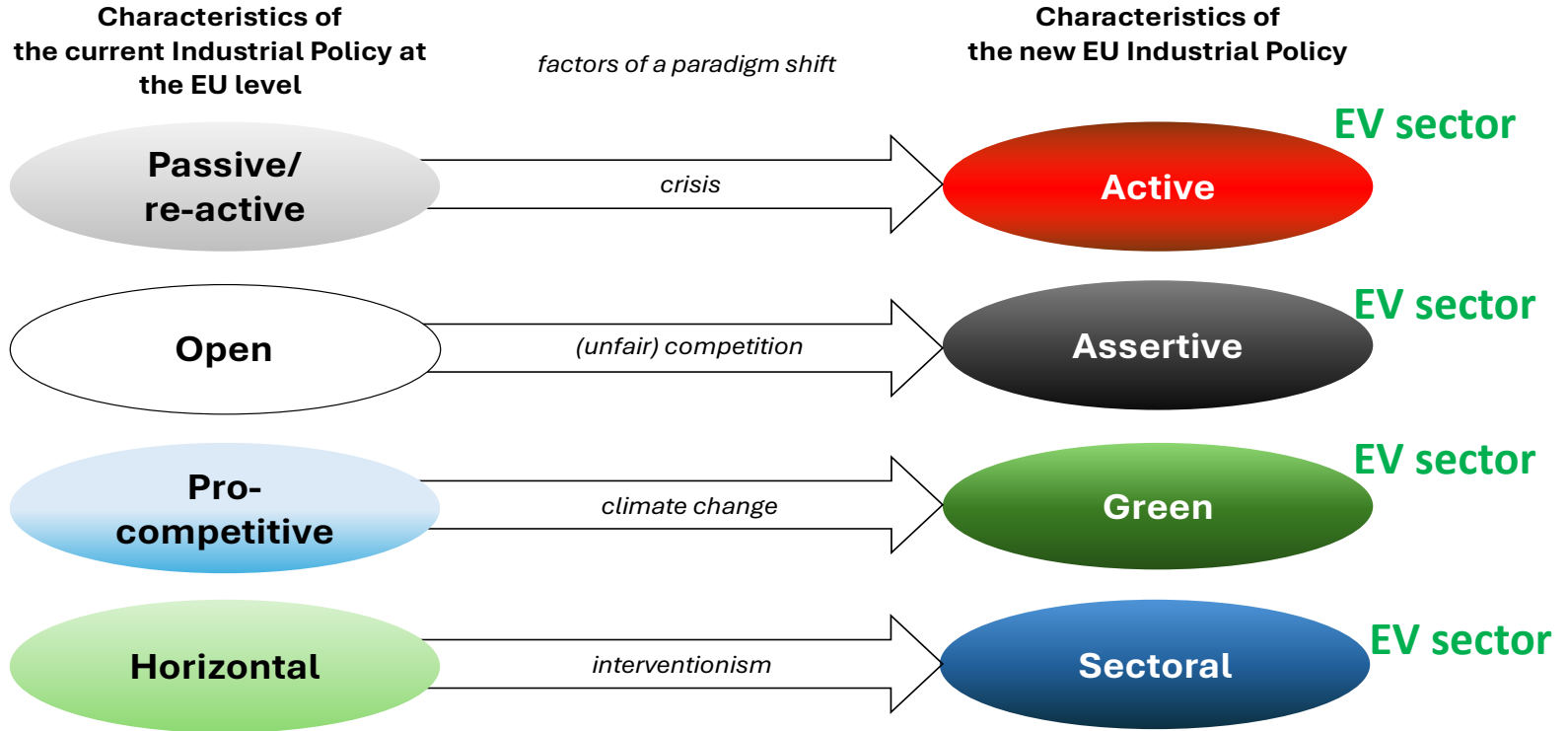
Presently, the industrial structure of the economy should be viewed as **including not only manufacturing industry**, but also **industry-related services**.

[www.sgh.waw/kiipe](http://www.sgh.waw/kiipe)

# Paradigm shift in EU Industrial Policy



# Paradigm shift in EU Industrial Policy



# The US and China are leading in implementing industrial policy under the new concept

- **China**

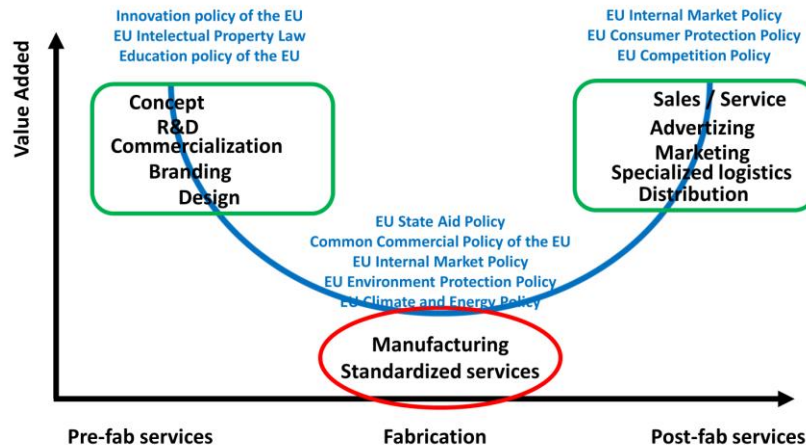
- *Belt and Road Initiative* – 2013
- *Made in China 2015*

- **USA**

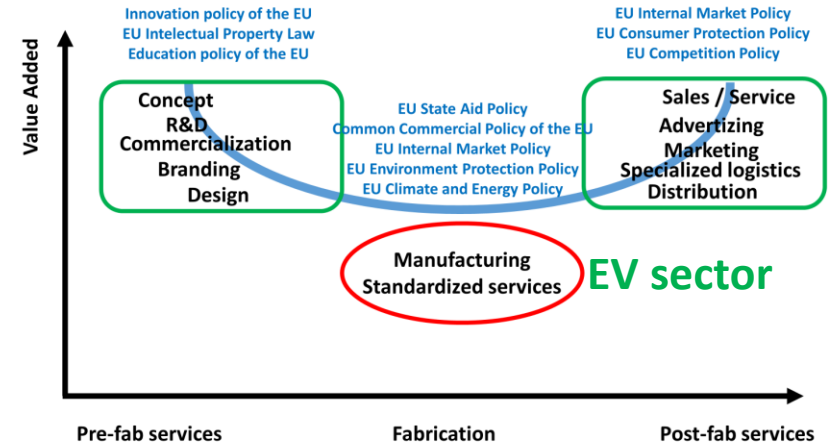
- *Chips and Science Act* – 2022
- *Inflation Reduction Act* – 2022
- *Trump's tariffs* - 2025

# Change in the EU Industrial Policy smile curve

## Industrial Policy at the EU level of 2000s–2010s



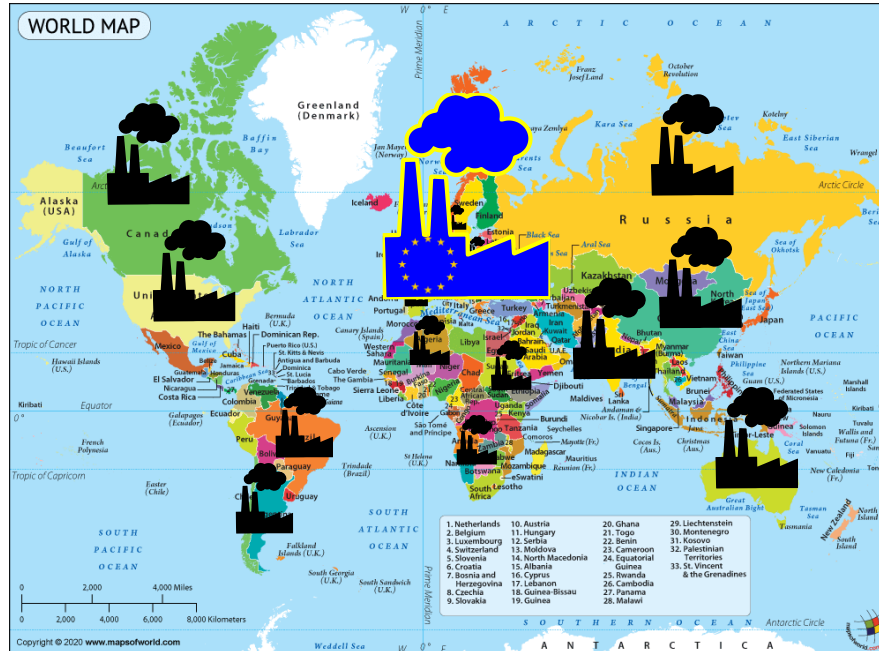
## new EU Industrial Policy of 2020s



Ambroziak AA (ed) (2017) *New Industrial Policy of the European Union*, Springer, Switzerland

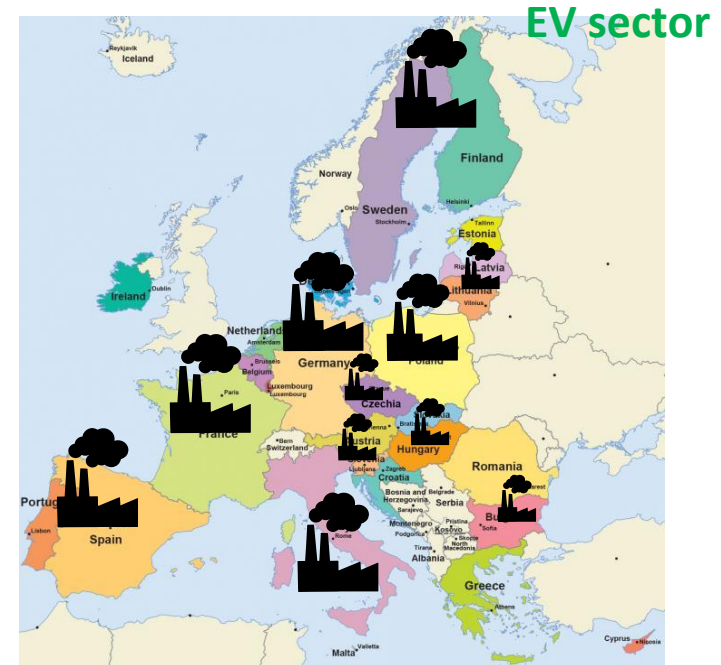
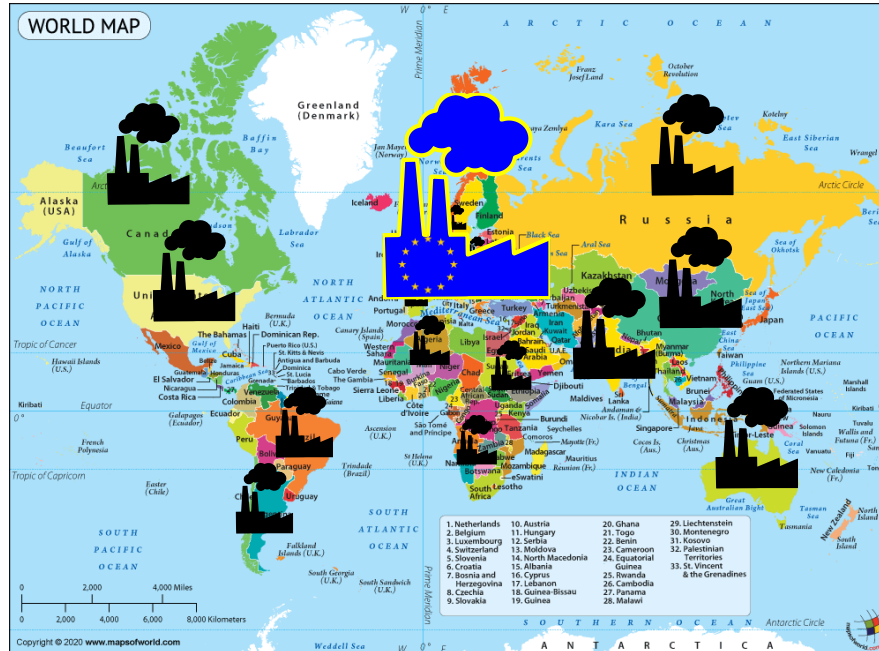
# Purely EU level...? Why?

Article 173.1. *The Union and the Member States shall ensure that the conditions necessary for the competitiveness of the Union's industry exist.*



# Purely EU level...? Why?

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# Instruments of the Industrial Policy at the EU Level

## - *Coordination of MS' Actions within Industrial Policy at the EU level*

Article 173(2) TFEU regarding *coordination, in particular initiatives aiming at (...) the organisation of exchange of best practice*

### Industrial Forum

- Task Force 1 – Single Market, KPIs and industrial ecosystems
- Task Force 2 – Support the development of transition pathways
- Task Force 3 – Support the analysis of strategic dependencies
- Task Force 4 – Identify and advise on cross-border and cross-ecosystem investment needs and cooperation opportunities
- Task Force 5 – Support the uptake of advanced manufacturing processes by EU industry

### Thematic Alliances

- **EU Battery Alliance of 2017** **EV sector**
- Circular Plastics Alliance of 2018
- European Raw Materials Alliance of 2020
- European Clean Hydrogen Alliance of 2020
- European Alliance for Industrial Data, Edge and Cloud of 2021
- **Industrial Alliance on Processors and Semiconductor Technologies of 2021**
- Alliance for Zero Emission Aviation of 2022
- **Renewable and Low-Carbon Fuels Value Chain Industrial Alliance of 2022**
- European Solar Photovoltaic Industry Alliance of 2022
- Critical Medicines Alliance of 2024
- European Industrial Alliance on SMRs of 2024

# List of Alliances

	Name of the thematic alliance	Date of establishment	Number of actors	Reference in the European Commission's document
1.	European Battery Alliance	October 2017	440	Europe on the move - Sustainable Mobility for Europe: safe, connected and clean, COM(2018b)293 final (European Commission, 2018) EV sector
2.	Circular Plastics Alliance	December 2018	336	A European Strategy for Plastics in a Circular Economy, COM(2018a)28 final (European Commission, 2018b)
3.	European Clean Hydrogen Alliance	July 2020	1767	A hydrogen strategy for a climate-neutral Europe, COM(2020)301 final (European Commission, 2020f).
4.	European Raw Materials Alliance	September 2020	738	Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability, COM(2020)474 final (European Commission, 2020e)
5.	European Alliance for Industrial Data, Edge and Cloud	July 2021	57	A European strategy for data, COM(2020)66 (European Commission, 2020d).
6.	Processors and Semiconductor Technologies	July 2021	n/a	
7.	Renewable and Low-Carbon Fuels Value Chain Industrial Alliance	April 2022	244	
8.	Alliance for Zero-Emission Aviation (AZEA)	June 2022	143	(Destination 2050): The European Aviation Sector's Climate Mission, A Rout to Net Zero European Aviation – Industry Commitments
9.	European Solar Photovoltaic Industry Alliance	December 2022	n/a	EU Solar Energy Strategy, COM(2022) 221 final (European Commission, 2022a)
10.	Critical Medicines Alliance	January 2024	286	Addressing medicine shortages in the EU, COM(2023)672 final, European Commission, 2023b)
11.	European Industrial Alliance on SMRs	May 2024	277	Securing our future. Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society, COM(2024)63 final (European Commission, 2024c)











# Important Projects of Common European Interest (IPCEI)

*Criteria for analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest (EC, 2014, 2021).*

## IPCEI must:

- **gather knowledge, financial resources, as well as economic entities** from various EU Member States,
- **address important market or systemic failures** or societal challenges that could not otherwise be addressed
- represent a **significant contribution** to the **EU's strategic objectives** (key enabling technologies, energy saving and efficiency, climate change, and general global opportunities and challenges)
- **involve at least 4 MS** and its benefits must extend to a wider part of the EU
- (up to 100% of eligible costs related to research, development, and innovation activities)

## Approved Integrated Important Projects of Common European Interest (IPCEI)

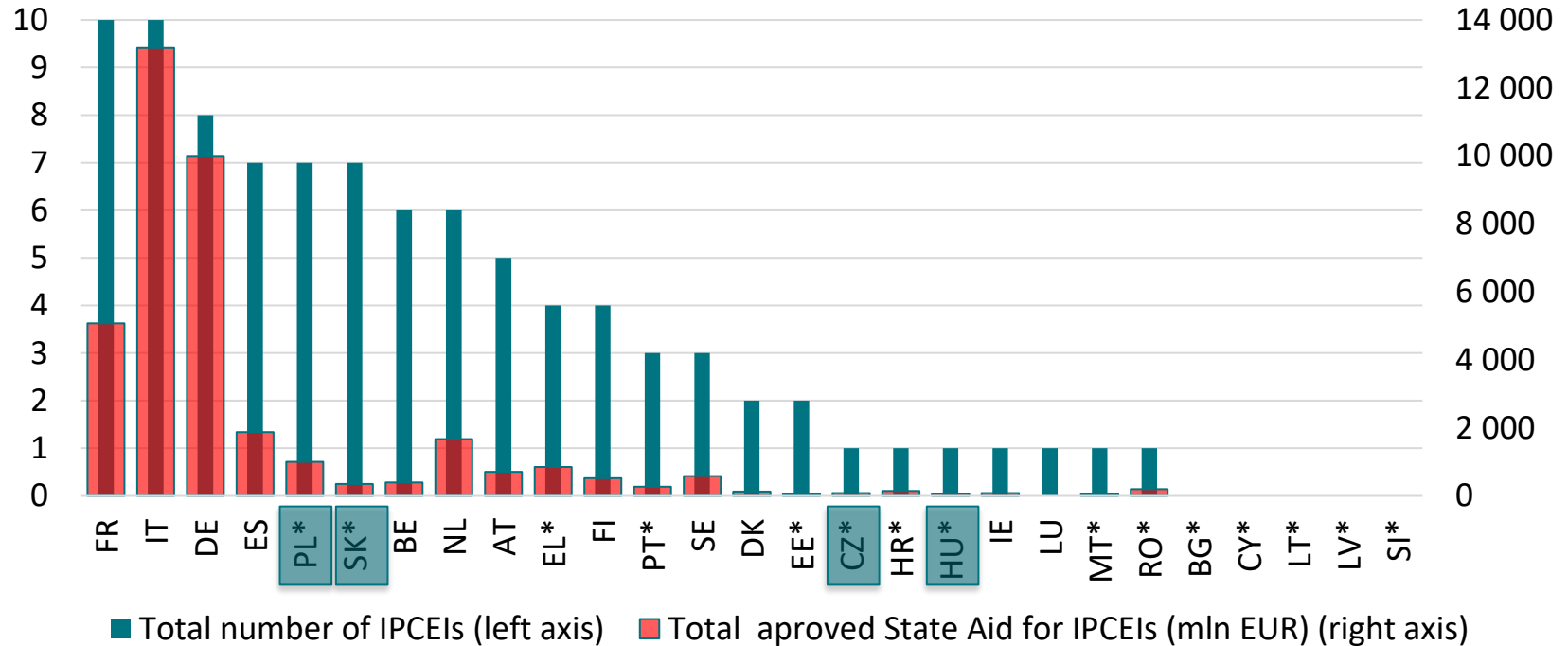
	Participating companies	Participating projects	State aid approved (EUR billion)	Expected private investments (EUR billion)	Participating Member States
First IPCEI on Microelectronics (2018)	29	43	1,9	6,5	
First IPCEI on Batteries (2019)	17	23	3,2	5	
Second IPCEI on Batteries - EuBatIn (2021)	42	46	2,9	9	
First Hydrogen IPCEI - Hy2Tech (2022)	35	41	5,4	8,8	
Second Hydrogen IPCEI - Hy2Use (2022)	29	35	5,2	7	
Second IPCEI on Microelectronics and Communication Technologies (2023)	56	68	8,1	13,7	
IPCEI on Next Generation Cloud Infrastructure and Services (2023)	19	19	1,2	1,4	
Third Hydrogen IPCEI - Hy2Infra (2024)	32	33	6,9	5,4	
Fourth Hydrogen IPCEI - Hy2Move (2024)	11	13	1,4	3,3	
IPCEI Med4Cure (2024)	13	14	1	5,9	
<b>Total</b>	<b>283</b> 247*	<b>335</b>	<b>37,2</b>	<b>66</b>	22 Member States, UK and Norway participated in at least one IPCEI

EV sector

EV sector

# Important Projects of Common European Interest

Total number and approved State Aid for IPCEIs (mln EUR)

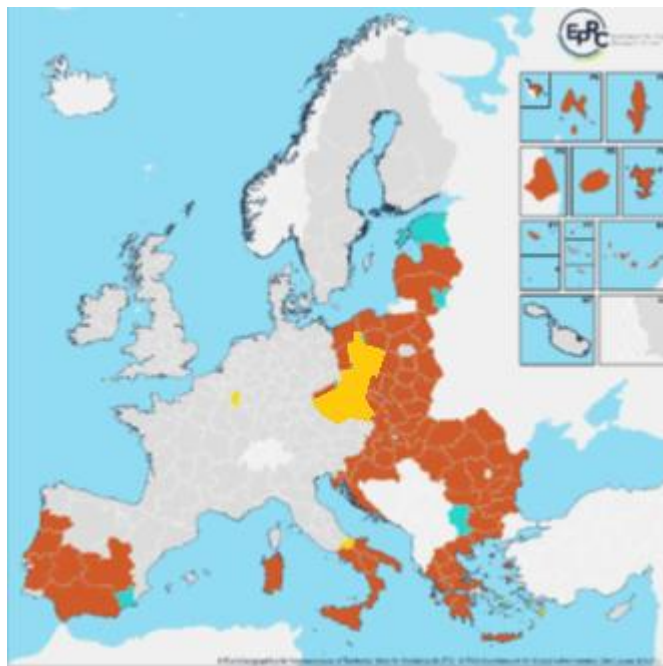


	Participating companies	Participating projects	State Aid approved	Expected private investments	FR	IT	DE	ES	PL	SK	BE	NL	AT	EL	FI	PT	SE	DK	EE	CZ	HR	HU	IE	LU	MT	RO	BG	CY	LT	LV	SI	Participating countries
First IPCEI on Batteries (2019)	17	22	3.2	5	1.0	9.0	1.4		0.3		0.1				0.06		0.05															7
Second IPCEI on Batteries – EuBatin (2021)	42	46	2.9	9	0.2	0.7	2.0	0.005	0.03	0.2	0.05		0.06	0.05	0.02		0.06				0.2											12
Value of State Aid accepted for IPCEs (in billion)	59	68	6.1	14	1.2	9.7	3.4	0.005	0.33	0.2	0.15	0	0.06	0.05	0.08	0	0.11	0	0	0	0.2	0	0	0	0	0	0	0	0	0	0	19
Total (value of State Aid accepted for IPCEs (in billion)			37.2	66	5.1	13.2	10.0	1.9	1.0	0.4	0.4	1.7	0.7	0.9	0.5	0.3	0.5	0.1	0.05	0.09	0.02	0.07	0.09	0	0.06	0.2	0	0	0	0	0	
Share of Manufacturing (C) in GDP in 2022 (in %)					10.7	17.3	20.4	12.5	19.6	20.3	14.1	12.7	17.7	10.4	18.0	14.1	15.1	14.6	14.9	21.3	14.0	20.1	39.9	4.2	7.5	16.9	15.0	6.0	17.9	14.7	22.6	16.8
R&D expenditure in the public sector (EIS)					95	67	136	82	62	49	127	101	141	103	132	78	126	159	106	93	86	42	13	59	18	8	19	39	65	59	78	100
R&D expenditure in the business sector (EIS)					104	55	155	57	69	39	172	114	162	51	148	76	172	130	72	91	55	72	54	34	31	18	36	20	34	17	108	108

	Participating companies	Participating projects	State Aid approved	Expected private investments	In bln EUR			In bln EUR				Participating countries
					FR	IT	DE	PL	SK	CZ	HU	
First IPCEI on Batteries (2019)	17	22	3.2	5	1.0	9.0	1.4	0.3				7
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EV sector

# Regional State Aid Map 2020-2027 – regions „a”



# Net-Zero Industry Act and Regional State Aid Map



Regional Investment State Aid  
(35-50% costs)

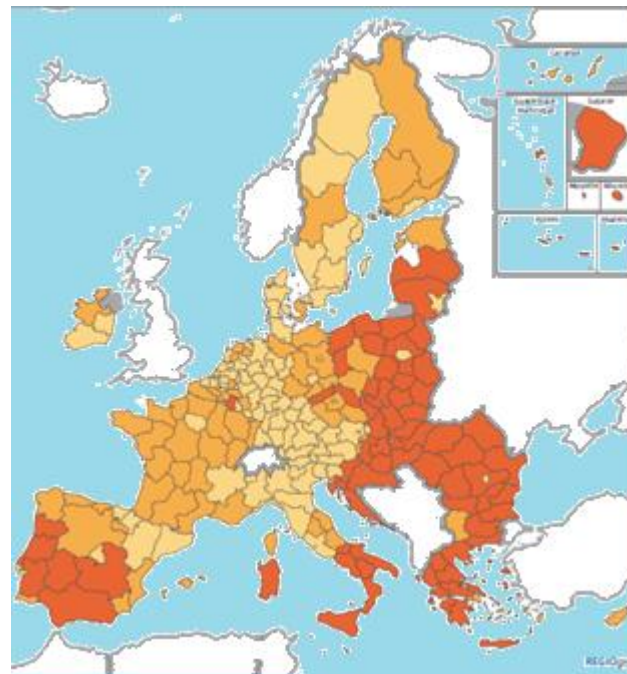


Investment aid based on the NZIA  
(15-20-35% costs)

The list includes the following technologies.

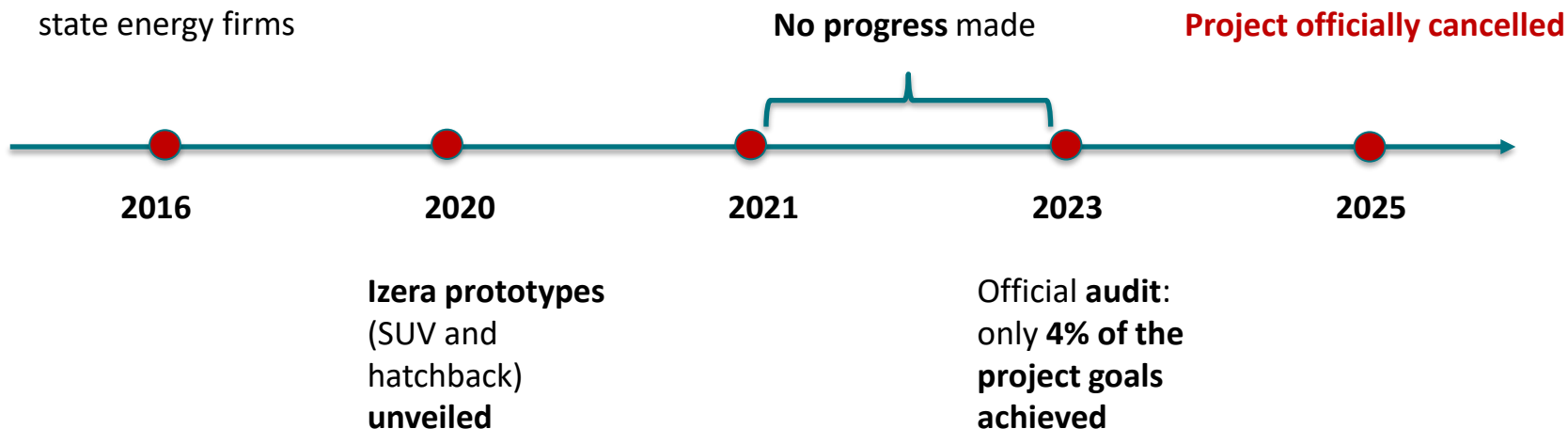
- Solar photovoltaic and solar thermal technologies
- Onshore and offshore renewable technologies
- **Battery/storage technologies** EV sector
- Heat pumps and geothermal energy technologies
- Electrolysers and fuel cells
- Sustainable Biogas/Biomethane technologies
- Carbon Capture and Storage (CCS) technologies
- Grid technologies

## State Aid Map for TCTF/NZIA 2024-2025



# Recent developments in PL – Izer a EV timeline (reminder)

**ElectroMobility  
Poland** founded by  
state energy firms



# Recent developments in PL – Izero EV (ctd.)

- In May 2025 **Izero** EV project was **officially cancelled**
  - reasons: delays in financing, outdated technical assumptions
- Geely no longer considered a key partner
- EMP shifts to build „**European EV brand with global partner**” (however, the partner still needs to be selected)
- Jaworzno plant to be repurposed as **hub for innovation and production**
  - **Local supply chain** to deliver up to **80% of vehicle components**
  - **20,000–30,000 new jobs** planned in the region, incl. **~1,000 in R&D**
- To finance the venture, EMP company will apply for funding from the National Recovery Plan (KPO)

# Conclusions

- New approach to the EU Industrial Policy (including EV sector)
  - Cooperation in collaboration
  - Financing.....towards common..... IPCEIs

IPCEIs **EV sector**

- No experience for the CEEC
- A widening gap in cohesion between the CEEC and other EU MS