



Committee on Industry, Research and Energy
The Chair

23.1.2024

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion in the form of a letter on Guidelines for the 2025 Budget - Section III
(2023/2220(BUI))

Dear Mr Chair,

Under the procedure referred to above, the Committee on Industry, Research and Energy has been asked to submit an opinion to your committee. At its meeting of 28 November 2023, the committee decided to send the opinion in the form of a letter.

The Committee on Industry, Research and Energy considered the matter at its meeting of 23 January 2024. At that meeting, it decided to call on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

Cristian-Silviu Buşoi
Chair

Christian Ehler
Rapporteur

SUGGESTIONS

1. Recalls that the Union Budget for 2025 must reflect the political priorities of the new legislative term, which should focus on fully implementing the programmes agreed in the current MFF and on implementing the ambitious climate neutrality and digital objectives within these programmes; rejects the notion that new challenges or unexpectedly high interest payments can be funded by cutting existing flagship programmes like Horizon Europe, Digital Europe Programme and the European Defence Fund;
2. Stresses that sufficient additional EU funding is needed to deliver on the objectives set by new EU legislation in support of the energy and environmental and the digital transitions, in particular the Strategic Technologies for Europe Platform (STEP), which shall provide funding to support the Net Zero Industry Act and the Critical Raw Materials Act, and ensuring the successful implementation of the European Green Deal's Fit for 55 legislative packages, on electricity market design and renewable and natural gas and hydrogen markets; insists that EU initiatives like the New European Bauhaus, Secure Connectivity, the European Chips Act and the Hydrogen Bank, should be allocated additional budget, in order to secure their continuity and increase their level of ambition; underlines specifically the agreed targets under the Renewable Energy Directive and the Energy Performance of Buildings Directive, which need to be supported by national and EU funding including the Connecting Europe Facility, the Recovery and Resilience Facility, as well as the Social Climate Fund;
3. Insists that the Union budget for 2025 must continue addressing the consequences of Russia's war of aggression, by providing direct support and cooperation programmes for Ukraine, and more generally by strengthening the Union's open strategic autonomy, energy independence, competitiveness with a specific focus on SMEs, midcaps and start-ups, digital transition, cyber security and defence capabilities;
4. Reminds of the need to strengthen the resilience of the EU economy and the competitiveness of Union industries, with future EU industrial policies contributing at achieving social and green objectives; believes therefore that the Union Budget for 2025 should invest strongly in industrial competitiveness, creating pathways towards decarbonisation of industrial sectors, while securing EU supply chains for a range of strategic sectors and technologies; considers that technological autonomy, sustainable growth and quality job creation are key to reaching the Union's long term energy and climate objectives; notes with concern the impact of the energy crisis on energy intensive industries and related sectors; in this context, calls on the Commission to provide recommendations on the request and swift approval of State Aid; reiterates the call to maintain visible, dedicated funding to SMEs mid-caps and start-up programmes, in order to confirm the European Union's commitment to support their role in promoting innovation, sustainable and inclusive growth, employment, and social cohesion; stresses that green and social investments are needed at EU and at national level to achieve a socially just green transition;
5. Recalls that the 2025 budget for Horizon Europe will be the first annual budget under the Second Strategic Plan for Horizon Europe; emphasises that Horizon funding should be sufficient to deliver on the short term objectives for 2030, while also maintaining sufficient investment in early research to ensure Europe has the knowledge base it needs for the challenges of 2040 and 2050; regrets that the existing level of Horizon Europe funding is insufficient to

develop the ideas and technologies necessary for the green and digital transitions, or to deliver on the goals of sustainable growth and open strategic autonomy; calls for an increase in the 2025 budget for Horizon Europe, allowing each sub-programme to fund at least 50% of all “excellent” proposals, whereas currently over 70% of such proposals are rejected due to insufficiency of funds; supports continued investments in Horizon Europe strategic initiatives such as the New European Bauhaus; insists that all available decommitments under Article 15 (3) of the Financial Regulation should be used;

6. Underlines that security of energy supply concerns, high energy prices, and the ongoing EU transition to climate neutrality mean that the issue of energy poverty will be a crucial one in the months and years to come; stresses that alleviation of energy poverty requires European and national investments;

7. Calls for adequate funding and staffing for all agencies and Union bodies in the policy areas of industry, research, energy and cybersecurity, in order to cope with increased workload and new regulatory obligations.

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPOREUR HAS RECEIVED INPUT**

The rapporteur declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.