

Between a rock and a hard place: Europe's clean tech industry between Trump's policies and Chinese pressure

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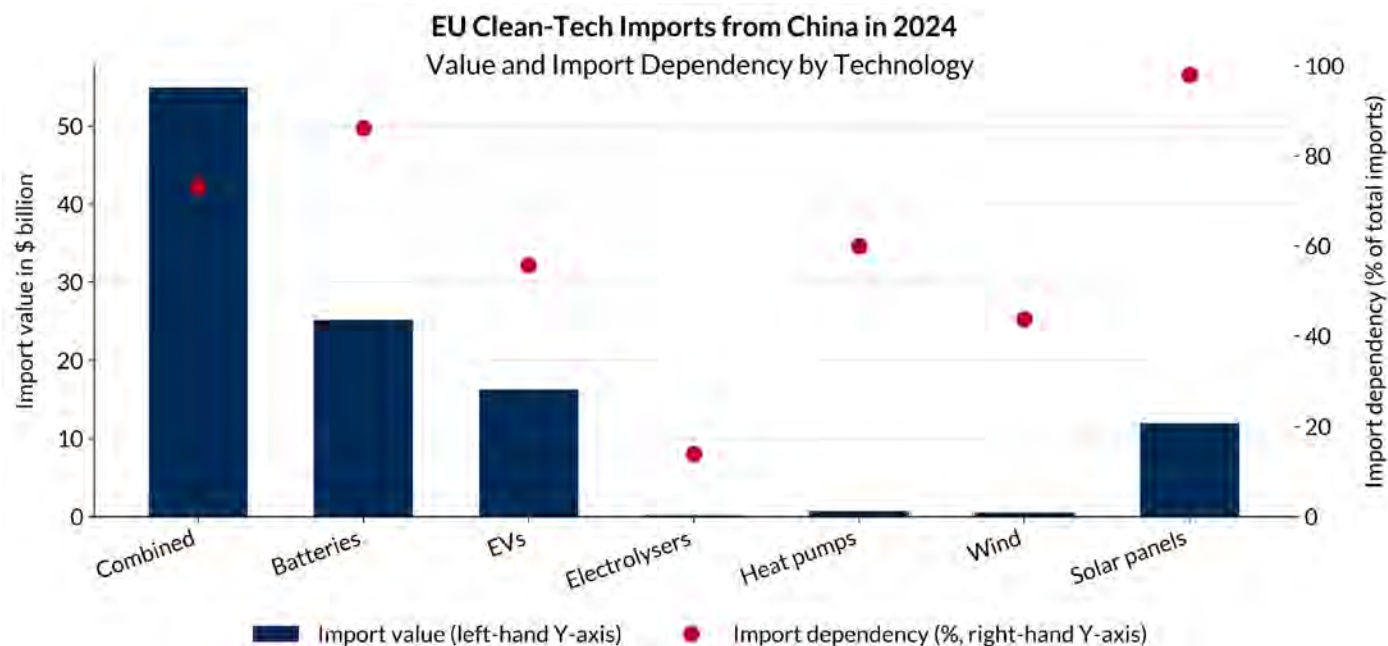
Europe's large and growing clean tech industry – from wind turbines to electric vehicles – is being hit from several directions. The US' Trumpian U-turn on green industrial policy reduces demand for European clean tech, while new US tariffs redirect Chinese goods towards the more open European market, driving down prices and increasing competition from low-cost, often subsidised competition.

A new study, '[Between a rock and a hard place: Europe's clean tech industry between Trump's policies and Chinese pressure](#)', authored by experts at the Centre for European Reform, the Bertelsmann Foundation and the Jacques Delors Centre, illustrates what the double policy shock means for European clean tech manufacturing – and what EU policy-makers should do to counteract it and capitalise long-term on the US withdrawing from clean tech leadership.

In the short term, the prospects for exports of EVs and wind energy equipment will suffer from lower US demand. Meanwhile, US domestic capacity for battery manufacturing is growing, so it will be difficult for EU battery producers to seize a large market share in the US. But smaller EU-based industries, such as heat pumps and electrolyzers, could benefit from Chinese goods being largely excluded from the US market.

The EU still has global leaders in clean tech manufacturing, in areas such as wind equipment, heat pumps, next-generation batteries and electrolyzers. By building on its industrial and technological base, and leveraging its large internal market, the EU can claim a leading position – but it needs to deploy a coherent clean tech strategy quickly. This is necessary to prevent these temporary shocks from destroying the EU clean tech industry, and from leading to long-lasting dependency on Chinese kit.

If the EU wants to defend and expand on its clean tech excellence, it should not be afraid of deploying trade defence measures to protect industries of strategic importance; it should stick to ambitious climate policy to provide clear incentives for clean tech investments; and it should complement national state aid with EU-wide industrial support schemes with a Buy-European approach.



Elisabetta Cornago, one of the report's authors, said: *"Clean tech is a strategic set of industries that the EU cannot afford to lose or miss out on. The EU should build and maintain some key sectors domestically, to avoid repeating the mistake of excess dependency on strategic imports it already made with Russian gas."*

Notes for editors:

To discuss the policy brief or request an interview with Elisabetta Cornago [@elisabettaco.bsky.social](https://bsky.app/profile/elisabettaco.bsky.social) please contact Kate Mullineux in the CER press office on pressoffice@cer.eu or +44 (0) 20 7233 1199.

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