

WEBINAR SERIES:

EU Green Deal Policies and their
Relevance in Asia-Pacific

Clean Industrial Deal

Webinar Brief

switchasia



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Context

The **EU SWITCH-Asia Policy Support Component** and the **European Environmental Bureau** held a **webinar** on the 8 April 2026 about **Future-Proofing Value Chains: The EU Clean Industrial Deal as a Driver for Growth**. It is part of a **series of webinars**, which seeks to explore the implications of EU policies related to Sustainable Consumption and Production for its partner countries, particularly in the Asia-Pacific region. It aims to understand the goals of these policies, their relevance in specific contexts, and their implications for stakeholders in the Asia-Pacific, particularly concerning legislation that has emerged from EU policies. This Webinar brief aims to capture the ideas shared during the webinar but is not a comprehensive analysis of the policy. The webinar focused on clarity and diversity of views, rather than comprehensiveness.

Key Messages

The transition from the 2019 European Green Deal to the 2025 Clean Industrial Deal marks a structural evolution in EU policy. Circularity and decarbonization are no longer positioned primarily as environmental directives; they are now embedded directly within Europe's agenda for economic competitiveness, material security, and supply chain sovereignty.

For stakeholders in the Asia Pacific region, this means compliance is no longer just a regulatory hurdle, but an operational prerequisite for maintaining market access in a net-zero global economy. The following points were particularly highlighted during the webinar:

- **Interoperability & Standard Harmonization**

As decarbonization becomes tied to product competitiveness, European and Asian markets must align on standardized metrics. Without interoperable standards across ASEAN and broader Asian trade corridors, regional suppliers risk redundant compliance burdens.

- **The Digital Product Passport (DPP) & Upstream Data Gaps**

Implementing DPP requirements exposes severe data vulnerabilities in Tier-2 and Tier-3 suppliers. Fragmented supply chains, non-standardized localized methodologies, and poor visibility past Tier 1 pose immediate operational risks to export readiness.

- **Technical Capabilities & MSME Vulnerability**

While lead EU buyers demand digital transparency, upstream micro, small, and medium enterprises (MSMEs) face significant gaps in digital literacy and accounting infrastructure. Targeted capacity-building programs are essential to prevent smaller suppliers from being squeezed out of global value chains.

- **Trade Policy & “Made with EU” Realities**

While provisions like local content conditions or preference criteria are emerging under legislative proposals like the Industrial Accelerator Act, abrupt trade disruptions remain unlikely in the short term. Preferential market position will favor suppliers providing low-carbon, highly circular materials over geographic origin.

Introduction

The EU SWITCH-Asia Policy Support Component and the European Environmental Bureau held a [webinar](#) on the Clean Industrial Deal to introduce the objectives of the strategy and the current status of the implementation. During this event, several leading experts convened to discuss the importance of understanding the impacts and opportunities for the Asia-Pacific region for EU Importers and Asia-Pacific Exporters when it comes to preparing for the EU’s continued pursuit of clean industries and supply chains.

What is the Clean Industrial Deal?

In her overview of the Clean Industrial Deal, **Eva Bille, Head of Circular Economy at the European Environmental Bureau**, mentioned that the deal was introduced after the United States released their Inflation Reduction Act (IRA), and as a response to the industry’s reaction to the Green Deal, as expressed by the so-called Antwerp Declaration. This Declaration ahead of the elections (20 February 2024) gathered 1300 signatories from among European industry, declaring that “we need to keep industry in Europe because the industry will deliver the climate solutions Europe needs”, and a year later the Clean Industrial Deal (CID) was announced in the same Belgian city.

The CID is framed as a business plan to “accelerate decarbonisation and competitiveness for European industry - by boosting innovation and reinforcing our resilience” focusing on energy-intensive industries and the clean tech sector. It has 6 pillars:

1. **Energy security and energy prices** (access to affordable energy, lowering energy bills, accelerating the roll-out of clean energy, ensuring a well-functioning gas market) with a goal of 32% electrification and 100GW of renewables per year.
2. **Lead markets and procurement policies** (non-price criteria, a market for captured carbon, and support for nuclear energy), with a goal of 40% domestically produced clean tech components.
3. **Public and private investments** (Competitiveness Fund, Industrial Decarbonisation Bank, leveraging private money, a simplified and flexible State aid framework), with a goal of 100 billion to be leveraged
4. **Powering the circular economy** (implementation of the Critical Raw Materials Act, Circular Economy Act, roll-out of the Ecodesign for Sustainable Product Regulation, Green VAT initiative), with a goal of a 12 to 24% circular materials use rate.
5. **Labour and skills** (support for skills, support workers in the transition, social leasing for green products)
6. **Global action** (Clean Trade Investment Partnerships, CBAM review) with a goal of ensuring the largest possible share of the global market for clean technologies, which is worth USD 2 trillion in 2035.

The industrial policy timeline for the next years includes several key initiatives that will concretise and operationalize the “deal”. One of the key legislative proposals is the Industrial Accelerator Act, proposed in February 2026, which aims to ensure that by 2035 the manufacturing industry in the EU accounts for at least 20% of the EU’s gross domestic product (up from 14.3%). It includes simplified permitting procedures for energy-intensive decarbonisation projects, area-wide permits for so-called industrial manufacturing

acceleration areas, public procurement incentives for steel, cement, aluminium, automotive components and net-zero technologies, and made “with” EU provisions for countries with which the EU has free trade agreements or a customs union. Foreign investments above 100 million EUR must have minimum 50% European Union workers and meet some local content conditions.

From a civil society perspective, several central questions emerge. With respect to the scope, framing “productivity growth” as the sole priority and giving energy-intensive industries (defined broadly) increased attention could raise concerns, in particular since clean is defined rather narrowly. The word “Decarbonisation” disappeared from the Industrial Accelerator Act as compared to its original intention – and without including pollution, especially from the chemical industry, this could undermine the concept of a truly clean deal. Zero pollution and toxic-free manufacturing will be key, along true circularity – which includes toxic-free material cycles and a focus on prevention. For global supply chains there are still important economic disparities, and for resilient green industries, more attention needs to be on education, healthcare, and fair working conditions, including female-dominated sectors (in all trading countries).

Reflecting on the proposal for Made in the EU criteria, **Jean-Luc WIETOR, Head of Buildings and Industry at the Environmental Coalition of Standards (ECOS)** added that he does not believe that should be the main focus: *“As an environmental organization what matters to us is rather that green products get to the market, not that European products get preferred”*. There should clearly be a preference for materials with a low carbon and environmental footprint, but whether the green steel or the green cement originate from the EU or its trading partners is of much less interest to ECOS, he added. He noted that the Industrial Accelerator Act is rather weak in its provisions in this regard, so is in any case unlikely to lead to a landslide in trade patterns – unless it is significantly revised in the co-decision process with the European Parliament and Council. On the question of subsidies, Mr. Wietor noted that as much as they are necessary in some cases to help certain products or technologies or processes get to the market, they are rather a barrier to free and fair trade. A flurry of EU subsidies is therefore unlikely, even if many industries are asking for them.

Risks and opportunities for the Asia-Pacific context

Turning to the risks and opportunities for countries in the Association of South East Asian Nations (ASEAN), **Ulrike Sengstschmid, Sustainability Advocacy Manager at the EU-ASEAN Business Council** said that the CID really represents a shift towards a focus on competitiveness, and a signal that decarbonisation must work with the economy and not against it. From an ASEAN business perspective, this is a very important and welcome shift because it reflects the reality that climate emission reductions also need to be economically viable to be more sustainable. *“Businesses operate in a complex web of global supply chains. So, the end goal of decarbonising a European product is also largely shaped by the decarbonisation of its value chain, which very often includes Asia and the ASEAN markets.”* She added that a key challenge and opportunity is therefore to ensure that the standards used to measure the EU’s sustainability targets become interoperable and also workable across the different markets in Asia and the rest of the world. For ASEAN businesses, this is an opportunity to strengthen their position as trusted partners for clean and circular production. Implementation will however require investment in capacity-building.

Ukhnaa SARANGOO, Project Manager, Agronomes et Vétérinaires Sans Frontières and EU SWITCH-Asia STeP EcoLab II Project provided intelligence from a very specific project in Mongolia. Her project focuses primarily on fine cashmere, engaging animal fibre producers across both the upstream and downstream value chain, from herders and herder organizations to local textile industries. Mongolia is responsible for nearly half of the world’s cashmere, making it a critical part of the global supply chain. *“The sector is economically vital, but it also has a significant environmental impact. Rising global demand over the past 30 years has led to livestock numbers that are now around three times the carrying capacity of Mongolia’s pastures, contributing to widespread land degradation.”*

She noted that one of their biggest challenges is implementing the Digital Product Passport (DPP). As the first to introduce DPP concepts to Mongolia’s textile and cashmere sector, knowledge sharing and capacity-building are key priorities. The other major challenge is calculating greenhouse gas emissions per unit of

raw cashmere. There is no standardized methodology, available data sets are limited, and Mongolia's vast geography and unique nomadic pastoral system make data collection complex and resource-intensive. Unlike intensive farming systems, Mongolia's production model requires its own scientifically robust methodology for measuring emissions, which is essential for credible DPP reporting.

Turning to the Indian perspective, **Siddharth Lulla, Partner, Intellicap**, noted that their program supports the green transition of India's textile and apparel sector by helping micro, small and medium-sized enterprises (MSMEs) become more competitive in EU markets. They do this by building awareness of policy requirements, improving access to green finance, and supporting practical, commercially viable solutions to reduce carbon emissions. From its work across India, Intellicap has identified five main barriers to Digital Product Passport (DPP) adoption: fragmented data, limited visibility beyond Tier 1 suppliers, challenges around data verification and credibility, gaps in digital capabilities—especially for MSMEs—and a lack of commercial alignment, as suppliers are often expected to provide traceability data without long-term commitments or co-investment from buyers. *"Ultimately, the challenge is not just complying with DPP requirements, but building the digital systems, governance, and partnerships needed for the future of sustainable trade."*

Conclusion

In her conclusion, **Elodie-Maria Sube** said that there is one message which stands out clearly: the transition to clean industry is no longer a future ambition, it is already reshaping global trade. Through its recent legislation, the EU is redefining how value is created, presenting both challenges and opportunities for businesses in Asia. By adopting tools such as the Digital Product Passport and embracing circularity, companies are not simply complying with new regulations; they are future-proofing their businesses. As highlighted during the webinar, this goes beyond reporting. It requires rethinking business models and understanding the entire value chain, from producers on the ground to the final product.

Speakers

- **Eva BILLE**, Head of Circular Economy, EEB
- **Ulrike SENGSTSCHMID**, Sustainability Advocacy Manager, EU-ASEAN Business Council
- **Siddharth LULLA**, Partner, Intellicap
- **Ukhnaa SARANGOO**, Project Manager, Agronomes et Vétérinaires Sans Frontières and EU SWITCH-Asia STeP EcoLab II Project
- **Jean-Luc WIETOR**, Head of Buildings and Industry, ECOS

References

- Clean Industrial Deal [factsheet](#)
- European Commission information page on [Industrial Accelerator Act](#)
- Switch Asia project on [Mongolian Cashmere](#)
- ECOS [recommendations](#) on CID, EEB [reaction](#) to CID
- Green Threads: <https://www.switch-asia.eu/project/green-threads-enhancing-sustainability-in-indias-textile-recycling-clusters/>
- STeP Ecolab II: <https://www.switch-asia.eu/project/step-ecolab-ii-sustainable-textile-production-and-eco-labelling-in-mongolia/>

Watch the recording [here](#).

