

Joint Statement of European Photovoltaic Module Manufacturers

On Effective Industrial Policy for Solar Manufacturing in Europe

European photovoltaic module manufacturers support the European Union's objective to strengthen industrial capacity in strategic net-zero technologies. However, the current policy discussion risks focusing on complex technical rules rather than addressing the real structural challenges facing the European photovoltaic industry.

The central problem is not the lack of origin definitions or certification schemes, but the absence of effective measures addressing structural price distortions in the European photovoltaic market. The fundamental challenge is the structural price imbalance in the European market caused by massive imports of photovoltaic products manufactured outside the European Union under very different economic, regulatory and environmental conditions.

Without effective and practical policy measures, Europe risks losing its remaining photovoltaic manufacturing capacity despite the rapid expansion of solar deployment across the continent.

Limitations of Component-Based Origin Requirements

Recent proposals discussed in the context of the Industrial Accelerator Act suggest introducing requirements based on combinations of European-origin components within photovoltaic systems.

While well intentioned, such approaches are unlikely to deliver the intended industrial impact. Industrial policy should remain simple and predictable. Complex origin formulas risk creating regulatory burdens without restoring fair competitive conditions.

Rules based on combinations of multiple components would introduce additional administrative complexity, increase verification and compliance costs, and potentially raise the price of photovoltaic systems manufactured in Europe. At the same time, such mechanisms would not address the fundamental market imbalance currently affecting European manufacturers.

Furthermore, combining several components into a single origin requirement is conceptually flawed. Each segment of the photovoltaic value chain, from modules, cells, wafers, inverters and other components, faces different industrial realities, production capacities and investment timelines.

Linking several components within one regulatory condition creates arbitrary combinations that do not reflect industrial structures and risk complicating project development without strengthening European manufacturing.

If the European Union intends to support the development of its photovoltaic value chain, each segment should instead be addressed through clear, transparent and component-specific policy targets, reflecting the actual industrial capacity and development needs of that segment.

Practical Policy Measures

To preserve and rebuild photovoltaic manufacturing capacity in Europe, policy measures must have a real and immediate market impact.

1. European preference in publicly supported solar projects

Photovoltaic installations receiving public support, including auctions, subsidies, recovery funds or agricultural programmes, should prioritise photovoltaic products manufactured within the European Union.

Public funding should contribute to strengthening European industry rather than unintentionally accelerating its displacement.

2. Transitional market stabilisation

Until European manufacturing capacity reaches sufficient scale, the European Union should consider temporary market stabilisation instruments capable of restoring fair competitive conditions in the European market.

These may include trade defence instruments or other measures addressing structural import imbalances, fully consistent with international trade obligations.

Without such measures, European manufacturers remain exposed to persistent price distortions that undermine investment in domestic production capacity.

A first step in this direction could be to amend the Accelerator Act, reverting to a previous draft of the Act in which a PV plant was defined as ‘Made in the EU’ if it was constructed using:

“From the entry into force of this Regulation until [3 years after entry into force of this Regulation], the PV inverter and at least one additional main specific components shall originate within the Union”

3. Gradual and targeted strengthening of the value chain

Where origin requirements are introduced, they should be simple, predictable and developed separately for each segment of the photovoltaic value chain in line with actual industrial capacity.

A Strategic Choice for Europe

Solar power will be a cornerstone of Europe’s energy system for decades to come. Maintaining photovoltaic manufacturing capacity within the European Union is therefore not only an industrial objective but also a matter of economic resilience, technological capability and strategic autonomy.

European photovoltaic manufacturers remain committed to investing in innovation and industrial capacity within Europe. To enable this, Europe needs a policy framework that is clear, practical and capable of restoring fair market conditions. Without such measures, Europe risks becoming structurally dependent on imported photovoltaic technologies despite its leadership in solar deployment.

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Signatories

European Photovoltaic Module Manufacturers

