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EPPA Position Paper

EU Industrial Policy and the Window Systems Sector

Urgent Actions for Competitiveness, Open Markets, and Sustainable Growth

1. Introduction: The Urgency of Now

The European window systems sector is at a crossroads. Geopolitical tensions—from the Middle East to the Taiwan Strait—are disrupting global supply chains, energy markets, and logistics routes, with immediate and tangible impacts on European industry. The EU's reliance on global value chains for raw materials, energy, and advanced technologies is no longer just a strategic consideration; it is a daily operational challenge. The war in Ukraine, escalating tensions in the Middle East, and the weaponization of trade by major economies have exposed structural vulnerabilities, making the need for a robust, action-oriented EU industrial policy more urgent than ever.

For the PVC window profiles sector, these disruptions translate into higher costs, delayed projects, and increased uncertainty—just as Europe seeks to accelerate the renovation wave, deliver the European Green Deal, and maintain its global competitiveness. The time for theoretical debate is over. The EU must act now to safeguard its industrial base, ensure energy security, and protect the integrity of the Single Market.

2. The Geopolitical Reality: Why Action Is Needed Today

Key Disruptions:

- **Energy Volatility:** The EU's exposure to global energy price swings—exacerbated by the shift from pipeline gas to LNG and ongoing geopolitical conflicts—has become a permanent feature of the industrial landscape. As of early 2026, European industrial electricity prices remain up to 158% higher than in the US, directly impacting production costs and investment decisions.
- **Supply Chain Fragmentation:** Sanctions, trade restrictions, and infrastructure disruptions have altered sourcing patterns, increasing cost volatility and supply risk for downstream manufacturers. The Middle East conflict, for example, has led to dual disruptions in ocean and air freight, further straining supply chains.
- **Regulatory and Policy Uncertainty:** The EU's Carbon Border Adjustment Mechanism (CBAM) and new public procurement rules are now in force, requiring immediate adaptation from industry. The proposed Industrial Accelerator Act (IAA) and Clean Industrial Deal aim to boost EU-made, low-carbon products, but their success hinges on rapid implementation and clear, predictable rules.

Impact on the Window Systems Sector:

- **Higher Costs:** Energy and logistics disruptions are driving up the cost of raw materials, additives, and technologies essential for window production.
- **Delayed Projects:** Uncertainty and volatility are causing delays in construction and renovation, undermining the EU's climate and housing goals.

- **Competitiveness at Risk:** Without swift action, European manufacturers risk losing ground to global competitors, particularly in energy-intensive sectors.

3. Concrete Actions for EU Industrial Policy

A. Secure Affordable and Stable Energy

- **Industrial Electricity Price:** Accelerate the introduction of subsidised industrial electricity prices, as proposed by Germany, to stabilise production costs and restore competitiveness.
- **Energy Transition Support:** Fast-track investment in electricity networks, grid capacity, and low-carbon industrial processes. Prioritise electrification and alternative fuels where technically and economically viable, ensuring that the transition is both green and affordable.
- **Energy Efficiency:** Double down on large-scale building insulation and envelope upgrades to reduce overall energy demand and shield consumers from volatility.

B. Strengthen Supply Chain Resilience

- **Diversification and Nearshoring:** Support industry efforts to diversify supply chains, reduce overdependence on single sources, and invest in regional production hubs. Leverage the EU's Critical Raw Materials Act to secure access to essential inputs.
- **Logistics and Transport:** Address bottlenecks in maritime and air freight, and invest in resilient transport corridors to mitigate the impact of geopolitical disruptions.

C. Protect the Single Market and Fair Competition

- **Uphold Single Market Rules:** Ensure that new industrial policy measures—such as local content requirements or procurement preferences—do not fragment the internal market or distort competition. Maintain a level playing field for all EU manufacturers.
- **SME Support:** Provide targeted support to SMEs, which are most vulnerable to cost and supply chain volatility, to preserve employment and investment capacity.

D. Accelerate Innovation and Decarbonisation

- **Public Procurement for Green Innovation:** Use public procurement to create lead markets for low-carbon, EU-made window systems and construction products. Set clear, achievable thresholds for low-carbon and recycled content in public projects.
- **Research and Development:** Increase funding for R&D in energy-efficient materials, circular economy solutions, and digitalisation to keep the sector at the forefront of innovation.

E. Structured Dialogue and Policy Coherence

- **Value Chain Collaboration:** Strengthen structured dialogue across the construction ecosystem to improve planning certainty, address implementation challenges, and keep projects on track—always in full compliance with competition law.
- **Regulatory Predictability:** Ensure that new policies—from CBAM to the IAA—are implemented with clarity and consistency, providing industry with the certainty needed to invest.

4. Key Messages for EU Policymakers

1. **Act Now on Energy:** Stabilise industrial energy prices and accelerate the transition to affordable, low-carbon energy sources.
2. **Secure Supply Chains:** Support diversification, nearshoring, and resilient logistics to mitigate geopolitical risks.
3. **Protect the Single Market:** Avoid fragmentation and ensure fair competition across the EU.
4. **Invest in Innovation:** Use public procurement and targeted funding to drive decarbonisation and competitiveness.
5. **Engage with Industry:** Maintain open, structured dialogue to address practical challenges and keep projects moving.

5. Conclusion: A Call to Action

The European window systems sector is ready to deliver on the EU's climate, energy, and industrial ambitions—but it cannot do so alone. The current geopolitical and economic environment demands a bold, action-oriented industrial policy that strengthens competitiveness, protects open markets, and accelerates the green transition.

EPPA calls on EU policymakers to move from debate to delivery, implementing the concrete actions outlined above. By doing so, Europe can safeguard its industrial base, meet its strategic objectives, and ensure that the window systems sector continues to play a leading role in building a sustainable, competitive, and resilient future.

Next Steps:

- EPPA will continue to engage with policymakers to ensure that the sector's needs are reflected in the evolving industrial policy framework.
- We stand ready to collaborate on pilot projects, policy design, and implementation to turn ambition into action.