

DISCUSSION PAPER No. 416

EU–Mediterranean green industrialisation: Connecting finance, trade and industrial policy

By Alfonso Medinilla, Mohammed El Maziani Haddouchi and Hanne Knaepen

October 2026

Energy–security shocks, supply–chain concerns and industrial competition are strengthening the case for EU–Mediterranean green industrial cooperation. This paper looks at Egypt, Morocco and Türkiye, showing how renewable energy resources, existing industries and ties to European markets create different opportunities to decarbonise production and develop clean–technology manufacturing.

Early projects, proactive industrial policies and new financing initiatives show progress, but investment has yet to reach scale. Uncertain demand, infrastructure constraints and unpredictable market access continue to hold projects back. EU policies can help overcome these barriers through demand creation and finance. Yet measures to protect European industries can also restrict market access and weaken the investment case for projects that the EU’s external partnerships seek to support.

The paper identifies three priorities for EU–Mediterranean industrial cooperation: (1) strengthening the EU–Mediterranean financing architecture; (2) aligning EU trade policy with green industrial partnerships; and (3) expanding domestic policy space for green industrialisation.

Table of contents

Acknowledgements.....	3
Acronyms.....	3
Executive Summary.....	5
1. Introduction.....	8
2. New momentum for industrial partnerships and energy integration.....	9
3. Different pathways into green industrialisation.....	13
3.1 Egypt: A clean fuels and energy-intensive industry hub faced with market and regulatory uncertainty.....	14
3.2 Morocco: greening and upgrading existing industrial clusters.....	22
3.3 Türkiye: an incumbent industrial base under decarbonisation pressure and strategic transition.....	31
4. Conclusion.....	36
5. Three priorities to make EU-Mediterranean industrial integration viable.....	38
References.....	40

List of figures

Figure 1: MVA and industrial complexity in Morocco, Egypt and Turkey (2024).....	9
Figure 2: IEA estimated announced low-emissions H ₂ production potentially available by 2030 (in Mtpa).....	12
Figure 3: Global H2 project pipeline contraction in 2026.....	13
Figure 4: Egypt's industrial energy profile.....	15
Figure 5: Egypt's CBAM exposure.....	20
Figure 6: Morocco's industrial energy profile.....	23
Figure 7: Morocco's CBAM exposure.....	30
Figure 8: Türkiye's industrial energy profile.....	31
Figure 9: Türkiye's CBAM exposure.....	35

List of tables

Table 1. Share of non-fuel/mineral manufactured imports from neighbouring regions.....	10
Table 2. Where green industrialisation could take hold in Egypt.....	17
Table 3. Where green industrialisation could take hold in Morocco.....	25

Acknowledgements

The authors thank all the experts who contributed to this work, as well as the partner organisations in the TeraMed initiative, whose insights provide an invaluable background to this work. Particular thanks go to Dr Fatin Resat Durukan, Rim Berahab and Richard Smith for their feedback on earlier drafts of this paper.

The views expressed in this paper are those of the authors and do not necessarily represent those of ECDPM or any other institution. Any errors or omissions remain the responsibility of the authors. For comments and feedback, please contact Alfonso Medinilla at ame@ecdpm.org.

Acronyms

AFDB	African Development Bank Group
ANRE	Moroccan National Electricity Regulatory Authority
ASEAN	Association of Southeast Asian Nations
BF-BOF	Blast Furnace-Basic Oxygen Furnace
CBAM	Carbon Border Adjustment Mechanism
COP	Conference of the Parties
DAP	Diammonium Phosphate
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EFSD+	European Fund for Sustainable Development Plus
EFTA	European Free Trade Association
EIB	European Investment Bank
ETS	Emissions Trading System
EU	European Union
EU MFF	European Union's Multiannual Financial Framework
EV	Electric Vehicle
DFIs	Development Finance Institutions
FID	Final Investment Decision
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GW	Gigawatt
GWh	Gigawatt-hour
HBI	Hot-briquetted Iron
HS	Harmonised System
H2	Hydrogen
IAA	Industrial Accelerator Act
IEA	International Energy Agency

IMF	International Monetary Fund
IRENA	International Renewable Energy Agency
KfW	German development bank (Kreditanstalt für Wiederaufbau)
LFP	Lithium Iron Phosphate
MAP	Monoammonium Phosphate
MASEN	Moroccan Agency for Sustainable Energy
MENA	Middle East and North Africa
MFF	Multiannual Financial Framework
MMBtu	Million British Thermal Units
Mtpa	Million Tonnes per Annum
MVA	Manufacturing Value Added
MW	Megawatt
NDC	Nationally Determined Contribution
NMC	Nickel–Manganese–Cobalt
OCP	Office Chérifien des Phosphates
OECD	Organisation for Economic Co-operation and Development
ONEE	Moroccan National Office of Electricity and Drinking Water
PAREMA	Moroccan–German Energy Partnership
PEM	Pan–Euro–Mediterranean
PtX	Power-to-X
PV	Photovoltaic
RED III	EU Renewable Energy Directive III
SMEs	Small and Medium-Sized Enterprises
SMedIO	Ten Southern Mediterranean Countries listed in Table 1
T-MED	Trans-Mediterranean Renewable Energy and Clean Tech Cooperation Initiative
TIDIP	Türkiye Industrial Decarbonisation Investment Platform
TSP	Triple Superphosphate
UNIDO	United Nations Industrial Development Organization
US	United States
ZAI	Kenitra Industrial Acceleration Zone

Executive Summary

Energy–security shocks, supply–chain concerns and industrial competition are strengthening the case for EU–Mediterranean green industrial cooperation. Yet the same pressures also drive more protective European industrial policies that can complicate market access and investment in deeper industrial integration.

This paper examines Egypt, Morocco and Türkiye, showing how renewable energy resources, existing industries and ties to European markets create different opportunities to decarbonise production and develop clean–technology manufacturing. Together, they illustrate three distinct, overlapping pathways: decarbonising energy–intensive production, building clean–tech manufacturing around existing industrial ecosystems, and upgrading an established export–oriented manufacturing base.

Egypt’s opportunities extend beyond hydrogen exports to decarbonising existing production and developing new manufacturing. Its fertiliser, iron and steel, aluminium and petrochemical industries provide potential domestic demand for renewable electricity and low–carbon hydrogen. Early projects demonstrate this potential. Yet more than 30 hydrogen–related memoranda of understanding have produced few final investment decisions. Limited long–term offtake, high financing and foreign–exchange costs, and infrastructure uncertainty reinforce one another. European market access could reward cleaner production, but returns depend on European market–creation.

Morocco is building green industrial opportunities around its fertiliser and automotive clusters. OCP’s role as a developer, buyer and end user provides a domestic demand anchor and could reduce revenue uncertainty. Yet viability depends on competitiveness with grey ammonia, while scale depends on export markets. Combining local capabilities, European manufacturing networks and Chinese technology and capital could support emerging battery manufacturing and competitive sourcing for European carmakers. However, European concerns over Chinese subsidies and tariff circumvention could expose Moroccan exports to greater EU trade–defence measures. Preferential trade status does not guarantee access to future EU public procurement and support markets.

Türkiye’s transition centres on upgrading a large industrial base deeply integrated into European value chains. CBAM has made decarbonisation a competitiveness and market–access issue, while an effective domestic emissions trading system could support industrial upgrading. Yet tighter European steel quotas risk undermining the export revenues needed to finance decarbonisation, weakening CBAM’s incentives. New financing initiatives support this transition, but do not themselves constitute a comprehensive green industrial partnership.

Across the three cases, early projects, growing battery and electric-vehicle investment, more proactive industrial policies and an emerging financing architecture show progress. Yet these remain selective advances rather than a regional commercial breakthrough. Announcements outpace investment decisions, while early demonstrations often lack a dependable route to scale. European carbon pricing and public finance can strengthen the investment case, but tighter trade protection, European-preference requirements (e.g. for inverters and renewable energy tech) and uncertain demand can weaken the revenue expectations on which investments depend. Blended finance and subsidised procurement can establish early markets, but cannot substitute for dependable long-term revenues.

Emerging initiatives such as T-MED offer a platform to link regulatory cooperation with European investment and industrial participation. Their success will depend on connecting finance for production and infrastructure with credible demand, predictable market access and EU trade and industrial policies that support these partnerships. Domestic policy choices remain equally important in translating renewable resources and industrial capabilities into competitive production and greater local value creation.

Three priorities to make EU-Mediterranean industrial integration viable

01 Strengthen the EU-Mediterranean financing architecture Through T-MED and beyond DG MENA · DG ENEST · EU DFIs T-MED · EU MFF · Global Europe	Connect financing to industrial priorities Coordinate project preparation and mitigate offtake and currency risks through concessional finance, guarantees and long-term purchasing commitments, including public backing.	Make European preference workable Develop a strategic procurement toolbox beyond eligibility restrictions. Involve financiers, developers and vendors in this process and provide transition periods so they can adapt their processes and limit disruptions.	Support strategic project origination Explore early-stage project support as a strategic tool to secure European participation in subsequent development, construction and operation.
02 Align EU trade policy with green industrial partnerships DG TRADE · DG GROW · DG TAXUD IAA · Steel regulation · CBAM	Reward clean steel investment Introduce dedicated tariff-free quotas for verified near-zero-emission primary steel, retaining protection against conventional overcapacity. Link access to reciprocal commitments.	Provide a durable pathway for clean-tech investment Clarify preferential origin, anti-circumvention and eligibility rules for European procurement and support. Set transparent criteria for substantive local production and value creation where manufacturing combines local capabilities, European networks and Chinese capital or technology.	Strengthen predictability Assess new EU measures' effects on partner-country industries before implementation. Allow adjustment periods that reflect investment and production lead times.
03 Expand domestic policy space for green industrialisation Southern Mediterranean governments	Support a broader industrial transition Build strategies around domestic production capabilities, energy needs and development priorities. Advance fiscal and fossil-fuel subsidy reforms to support industrial transition to renewables beyond export sectors.	Build effective carbon pricing Accelerate carbon pricing adapted to energy-intensive industries, supported by credible local emissions monitoring, reporting and verification services. Create incentives for industrial transformation beyond reducing CBAM exposure.	Serve existing demand and diversify markets Prioritise electrification and projects serving existing demand, including ammonia for fertilisers and clean electricity for manufacturing. Strengthen energy security and industrial development, and diversify export markets to reduce dependence on European policy decisions while preserving opportunities for deeper integration.

1. Introduction

EU–Mediterranean green industrial cooperation is evolving in a more volatile environment, marked by energy–security shocks and industrial competition. Concerns around energy security, supply–chain diversification and industrial competitiveness strengthen the rationale for EU–Mediterranean green industrial cooperation, but also drive more protective European industrial policies that can complicate market access and investment in deeper industrial integration. Emerging domestic and regional policies and financing mechanisms seek to build on the region’s clean–power potential and industrial base to advance decarbonisation and clean–technology manufacturing. Turning this ambition into viable investments, however, will require stronger links between clean power, industrial demand, infrastructure, trade, market access and finance, tailored to the different industrial starting points of Mediterranean countries.

This paper revisits opportunities for EU–Mediterranean green industrial cooperation based on expert consultations in 2025–2026. It zooms in on Egypt, Morocco and Türkiye to illustrate the complex interplay between domestic energy and industrial policies, and European and global market dynamics that shape investment patterns in practice.

The paper uses Egypt, Morocco and Türkiye as illustrative cases rather than undertaking a systematic comparative analysis. All three are part of the wider Mediterranean economic space, but their industrial capabilities and global trade profiles differ considerably. Relations with the EU also rest on different arrangements: Association Agreements with Egypt and Morocco, and a Customs Union with Türkiye. Together, the cases illustrate how these starting points interact with domestic policy choices, global market dynamics, and European trade, industrial policies, and financing mechanisms to shape opportunities for green industrialisation and deeper cooperation.

It argues that:

1. Green industrial cooperation is becoming more concrete, but its political and commercial foundations remain fragile;
2. EU industrial and trade policies can both enable and constrain deeper green industrial integration; and
3. Scaling up green industries requires financing arrangements that connect industrial demand with investment in production and supporting infrastructure.

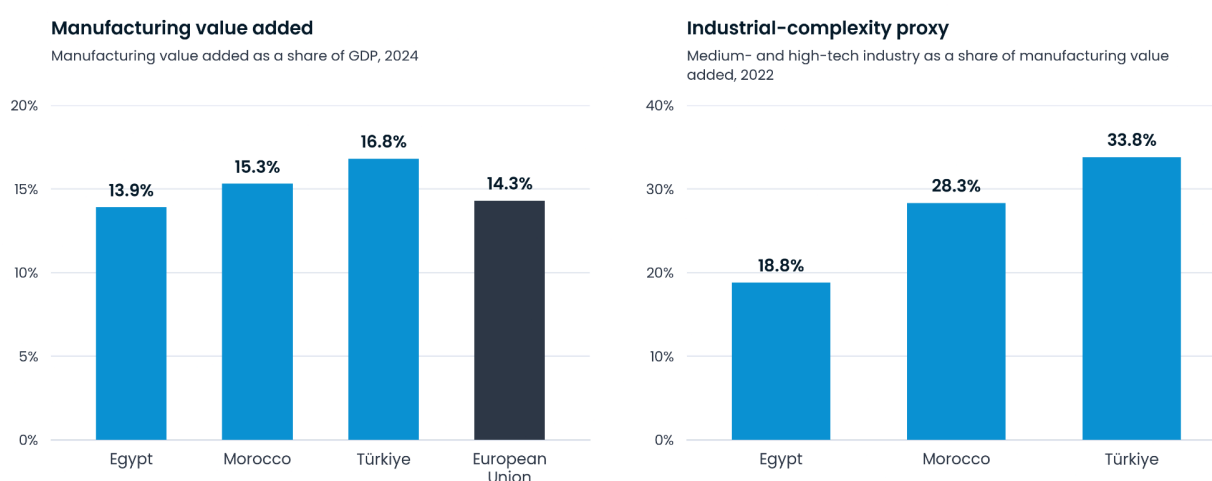
2. New momentum for industrial partnerships and energy integration

Algeria, Egypt, Libya, Morocco and Tunisia together have an estimated renewable energy potential of 2,300 gigawatts (GW), yet less than 1% is currently used for power generation ([IRENA 2025](#)). Industrial demand is key to translating this resource potential into an investable clean-power system. Hydrogen derivatives, fertilisers, iron and steel, and aluminium can anchor long-term demand for additional clean electricity, providing the scale, stability and revenue streams needed to support investment in renewable generation and grid infrastructure ([Nouwen et al. 2025](#)).

Green hydrogen ambitions illustrate this potential. Moroccan and Egyptian strategies alone estimate that they could meet up to 4% and between 5% and 8% of global demand for green hydrogen, respectively ([MASEN n.d.](#); [Advisian 2024](#)). These are broad policy ambitions, not market estimates.

Yet EU-Mediterranean industrial cooperation is not a mere greenfield proposition. Figure 1 shows that manufacturing value added is well above 10% of GDP ([World Bank n.d.a](#)). The region's industrial base spans established agri-food and textile production, chemicals, metals and other base materials, alongside automotive and machinery value chains, particularly in Morocco and Türkiye. Mediterranean green industrialisation therefore involves both developing new industries and upgrading existing production through decarbonisation and electrification.

Figure 1: MVA and industrial complexity in Morocco, Egypt and Turkey (2024)



Source: World Bank ([MVA](#); [Industrial Complexity \(n.d.b\)](#)).

A new EU–Med industrial cooperation architecture

Europe’s energy and industrial transition, combined with ongoing energy price and supply chain disruptions, has revived ambitions for Mediterranean strategic investments. This ambition is not new. The 1995 Barcelona Declaration already envisaged an “area of shared prosperity”, built around a Euro–Mediterranean free-trade area, investment, private-sector development and greater economic integration. Yet industrial integration has overall remained limited and highly concentrated¹ (see Table 1).

Table 1. Share of non-fuel/mineral manufactured imports from neighbouring regions²

Importing economy and nearby region	2000	2010	2019	2023
EU-27 from Southern Mediterranean 10	2.80%	2.59%	2.80%	2.99%
United States from Mexico	11.64%	12.18%	14.95%	15.90%
China from ASEAN 10	9.13%	11.74%	15.39%	17.94%

Source: ECDPM, based on Comtrade database³

The geoeconomic rationale for deeper integration is growing stronger. Industrial location decisions increasingly reflect access to affordable clean power, supply-chain diversification and proximity amid trade and logistics disruptions. This does not imply large-scale relocation of European clean-tech manufacturing to the Mediterranean. Rather, it points to selective opportunities for deeper integration where existing industrial capabilities, clean-energy advantages and market demand align.

The 2026 Trans-Mediterranean Renewable Energy and Clean Tech Cooperation Initiative (T-MED) frames the region as a “priority corridor” for renewable energy and clean-tech manufacturing, including to mitigate supply-chain shocks

¹ Important exceptions include Morocco’s rapid automotive manufacturing expansion in the 2000s ([Karkare 2026](#)), and Türkiye’s diversified manufacturing exports, spanning automotive, machinery, electrical equipment, appliances, textiles and metal products.

² Manufacturing proxy includes: chemicals and pharmaceuticals; plastics and rubber; wood, paper and related products; textiles, clothing and footwear; stone, ceramics and glass; metals and metal products; machinery and electrical equipment; vehicles and other transport equipment; optical, medical and precision instruments; furniture and other miscellaneous manufactures. It excludes agricultural and food products, HS 1–24; minerals and fuels, HS 25–27; precious stones and precious metals, HS 71.

³ Notes: SMed10 includes Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria and Tunisia; Türkiye is excluded in this table due to its customs union arrangement with the EU.

stemming from the war in Iran ([European Commission 2026a](#)). T-MED aims to mobilise up to €25 billion in investment by 2035, backed by more than €5 billion in EU guarantee capacity through EFSD+ ([European Commission 2026b](#)). It targets a relatively modest 15 GW of new renewable capacity and more than 100,000 clean-energy jobs, combining investment mobilisation with regulatory reforms, skills development, grid upgrades and support for local clean-tech manufacturing. What's new, however, is the process. The strategy is being rolled out gradually, leading with a business intelligence exercise and calls for project promoters to design a region-specific financing architecture, with a platform launch foreseen in October 2026.

The development of this financing architecture will also depend on choices under the next EU Multiannual Financial Framework (MFF), including how strategic procurement objectives translate into eligibility conditions for EU-backed investments. Supporting European suppliers and reducing strategic dependencies are legitimate objectives, but tighter European-preference requirements could create tensions between industrial-policy ambitions and project competitiveness. For T-MED, the question is therefore not only how much finance can be mobilised, but on what terms and with what consequences for investment.

Practitioners point to these trade-offs in sourcing solar inverters: switching from Chinese to European suppliers can raise costs and delay delivery, with some reporting increases of around 10% in costs and 20% in delays. Such requirements can weaken European developers' competitiveness and make financing offers subject to them less attractive than alternatives without equivalent restrictions. A procurement approach centred on eligibility criteria could therefore support European equipment suppliers while weakening the wider European investment offer and slowing the deployment that T-MED seeks to accelerate.

Trade policy reforms provide another means of supporting industrial integration. Preferential rules of origin determine whether goods made with inputs from several countries qualify for reduced or zero tariffs, influencing firms' sourcing and production choices ([European Commission n.d.a](#)). The 2012 Pan-Euro-Mediterranean (PEM) Convention introduces "diagonal cumulation", which means that materials originating in one participating country can count as originating inputs when used in production in another, provided an FTA is in place between all Contracting Parties concerned.⁴ This seeks to replace a range of about 60 bilateral protocols on rules of origin across the PEM zone with a single

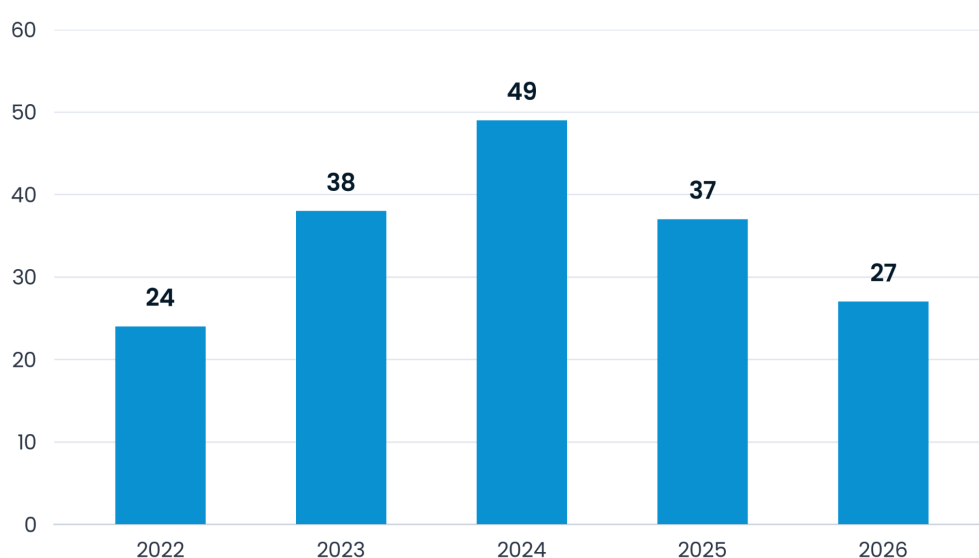
⁴ Diagonal cumulation is foreseen between the EU, EFTA States, Türkiye, signatories to the Barcelona Declaration, the Western Balkans, the Faroe Islands, Georgia, the Republic of Moldova and Ukraine.

legal instrument.⁵ Revised rules have been proposed, introducing, among others, full cumulation for most products, and more flexible and simpler product rules expected to facilitate the development of integrated supply chains within the area ([European Commission 2026c](#)). For clean-tech industries, including batteries and electric vehicles, this could make it easier to distribute production across the region while retaining preferential tariff treatment, a potentially important benefit given how battery sourcing can determine vehicles' eligibility for tariff preferences ([Moisé and Rubínová 2023](#)). However, Morocco's emerging batteries and EV ecosystem relies heavily on Chinese investment and technology, which may complicate compliance with preferential rules of origin. Growing EU scrutiny of Chinese investments in third-country EV supply chains could also expose Moroccan production to future trade-defence measures.

Early proof of concept for Mediterranean Hydrogen

The emerging Mediterranean hydrogen economy provides an early test of a new model of industrial integration. Several projects are beginning to connect large-scale renewable generation with industrial demand, port infrastructure and European support. Yet this takes place in a difficult global context for green hydrogen projects. The IEA's estimate of potential 2030 production from announced low-emissions hydrogen projects has fallen by about 45% in the past two years ([IEA 2025a](#); [IEA 2026](#)).

Figure 2: IEA estimated announced low-emissions H₂ production potentially available by 2030 (in Mtpa)

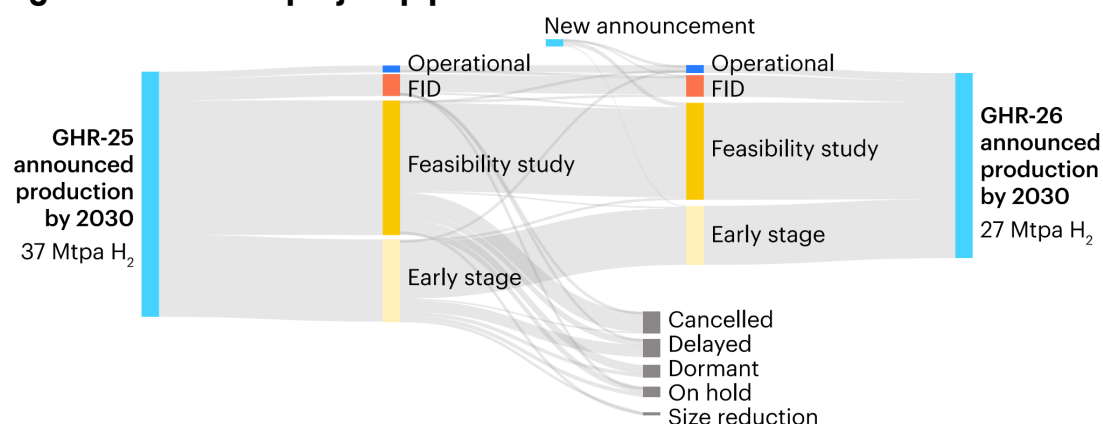


Source: IEA Global Hydrogen Review (2022–2026 series)

⁵ Full cumulation is currently operated within the EEA, and between the EU and Algeria, Morocco and Tunisia.

Egyptian and Moroccan green hydrogen strategies are particularly dependent on future European and global demand for green hydrogen and its derivatives. Europe accounts for the world's largest volume of investments in end-use of green hydrogen applications, making it the main early-stage demand centre for the region ([Hydrogen Council 2026](#)). Yet recent analysis of projects in both countries suggests that the main barrier to final investment decisions is not simply the availability of capital, but weak project economics linked to uncertain long-term demand and offtake ([Sinha and Schmerber 2026](#)).⁶ Existing fertiliser, refining and steel industries could provide domestic demand anchors, but export-oriented projects will remain difficult to finance without clearer and more durable market signals.

Figure 3: Global H2 project pipeline contraction in 2026



Source: [IEA 2026](#)

Taken together, these developments suggest real but still selective opportunities for Mediterranean green industrial integration rather than a region-wide commercial breakthrough. Their viability depends on how renewable resources and industrial capabilities combine with infrastructure, market demand and policy support. The following case studies examine how these conditions play out differently in Egypt, Morocco and Türkiye.

3. Different pathways into green industrialisation

The scope for green industrialisation depends on each country's starting point, including its industrial base, energy system, policy framework and integration with European markets. Egypt, Morocco and Türkiye illustrate three distinct pathways: developing clean fuels around energy-intensive industries, building integrated

⁶ The IEA (2026) notes that globally the most common cited reasons for project cancellations or delays are: (1) high costs and access to public support; (2) permitting issues; (3) lack of offtake; and (4) regulatory barriers

manufacturing ecosystems, and decarbonising an established export-oriented industrial base.

While energy-intensive industries are important in all three countries, measures such as the EU's Carbon Border Adjustment Mechanism (CBAM) and steel import quotas affect their industrial transitions differently. They reshape incentives to decarbonise, influence which investments are viable and, in some cases, threaten the viability of existing production.

3.1 Egypt: A clean fuels and energy-intensive industry hub faced with market and regulatory uncertainty

Egypt is both a prospective green hydrogen exporter and an established industrial economy whose green opportunities extend to decarbonising existing production and developing new manufacturing. Manufacturing accounts for nearly 16% of GDP and more than half of exports ([Brugger 2026](#))⁷, with substantial existing capacity in fertilisers and ammonia, iron and steel, aluminium, refining and petrochemicals ([OECD 2026](#); [UNIDO 2023](#)). These industries are major consumers of natural gas, but also provide industrial capabilities and potential domestic demand for renewable electricity and low-carbon hydrogen.

Since COP27 in Sharm el-Sheikh, the government has sought to develop the Suez Canal Economic Zone as a hub for renewable energy, green hydrogen and derivatives. Egypt's renewable-energy potential, industrial capabilities, maritime infrastructure and proximity to European markets support a broader pathway centred on decarbonised energy-intensive industries, petrochemicals and clean fuels. The opportunity is to use these assets to attract investment into a globally connected industrial cluster, rather than treating hydrogen exports as a standalone industry.

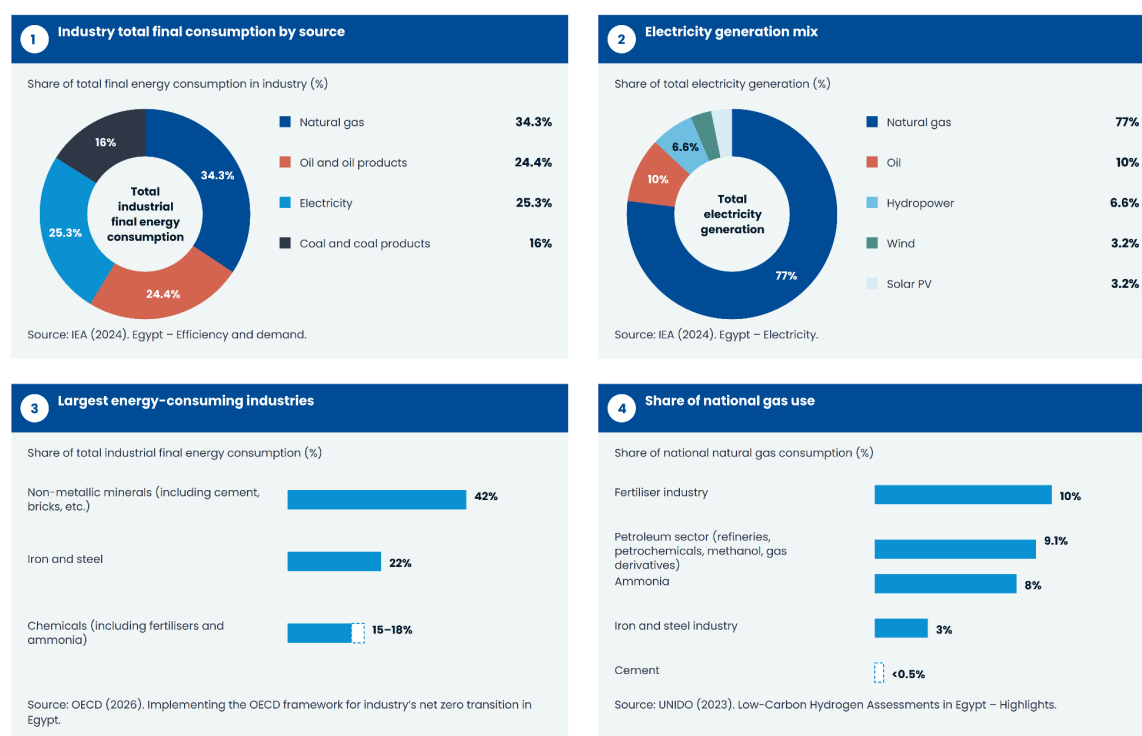
Yet this potential has not translated into investment at the scale anticipated. More than 30 hydrogen-related memoranda of understanding have produced few final investment decisions ([OECD 2026](#)). Projects face infrastructure and financing constraints, but the deeper problem is uncertainty over future demand and regulation. Egypt's industrial exposure to the EU creates potential advantages under policies such as the Carbon Border Adjustment Mechanism (CBAM), while also leaving investment decisions vulnerable to changes in European rules.

⁷ Including basic metals (18%), chemicals and chemical products (18%), food products and beverages (13%), petroleum-related products (9%), wearing apparel (7%), and electrical machinery (4%).

Figure 4: Egypt's industrial energy profile

Egypt's industrial energy profile

ecdpm



Source: Authors, based on [IEA 2024b](#); UNIDO 2023; OECD 2026

Policy ambitions and enabling infrastructure

The government has set increasingly ambitious targets for renewable energy deployment and its use in industry. In August 2026, it announced an objective to triple renewable capacity by 2028, requiring the addition of close to 19 GW by the end of that year ([Enterprise AM 2026](#)).

Green hydrogen has become a cornerstone of Egypt's evolving energy policy, intended to attract foreign investment, connect domestic industries to global green value chains, and strengthen competitiveness in carbon-sensitive markets ([Advisian 2024](#); [OECD 2026](#)). The central scenario in the 2024 National Green Hydrogen Strategy envisages producing 1.5 Mt of green hydrogen by 2030, of which 1.4 Mt would be exported, supported by 13 GW of electrolyser capacity ([Advisian 2024](#)).

Yet meeting these ambitions requires major investment in transmission and storage. Egypt's transmission system was not designed for the volume and variability of renewable electricity envisaged under its hydrogen strategy, while important renewable resources are located far from industrial demand centres, including the Suez Canal Economic Zone ([El-Sayed 2026](#)).

These constraints are increasingly driving concrete infrastructure investment. Egypt's Vision 2030 prioritises grid expansion, renewable-energy integration and storage, while the EU and EIB have committed around €690 million to Egypt's Grid Modernisation and Expansion Programme. The programme includes new high-voltage transmission infrastructure to connect solar and wind generation in the Red Sea and Gulf of Suez regions and accommodate up to 22 GW of additional clean-energy capacity by 2030 ([European Commission 2026d](#); [ENN 2026](#); [Ministry of Planning and Economic Development 2023](#)).

Storage investment is also advancing, although limited capacity still risks placing pressure on the grid and restricting renewable-powered electrolyzers ([OECD 2026](#)). Some projects are nevertheless beginning to advance: GCL Group and Kemet Industries have announced a \$700 million investment in a 5 GWh battery-storage manufacturing plant, alongside solar-PV manufacturing ([Asolu 2026](#)). Egypt's installed renewable capacity has meanwhile reached around 9.5 GW, with approximately 500 MW of battery-storage capacity, and further expansion is planned ([Ashraf 2026](#)).

These developments point to a broader clean-energy and industrial buildout, encompassing generation, transmission, storage and manufacturing alongside prospective hydrogen production.

Table 2. Where green industrialisation could take hold in Egypt

Sector	Existing advantage	Concrete examples	Main qualification
Ammonia and fertilisers	Egypt is Africa's largest ammonia producer, producing around 6 Mt annually, with existing plants, hydrogen expertise and export infrastructure (OECD 2026).	Fertiglobe won the first H2Global auction to supply Germany with at least 259,000 tonnes of renewable ammonia between 2027 and 2033, under a contract worth up to €397 million (German Federal Ministry for Economic Affairs and Energy 2024; Alkousaa 2024). The project is already producing green ammonia, but a final investment decision on the full scale-up remains pending (Atchison 2026; German Federal Ministry for Economic Affairs and Energy 2025).	The strongest near-term pathway, but early projects still depend on public support and guaranteed offtake (Sinha and Schmerber 2026).
Iron and steel	Egypt's gas-based DRI-EAF production is generally lower-carbon than coal-based European BF-BOF production and offers a more direct route towards hydrogen-based ironmaking The OECD estimates production costs of US\$733 per tonne, around 25% below equivalent EU production (Karkare and Medinilla 2024; Medinilla 2025; OECD 2026).	Ezz Steel already has around 5 Mt of annual DRI capacity, while Suez Steel operates a 1.95 Mt DRI plant (Ezz Steel n.d.; Suez Steel n.d.). A proposed €1 billion, 2.5 Mt DRI plant provides a possible greenfield pathway (Vorontsov 2025).	Requires affordable green hydrogen, plant modernisation and credible demand for low-carbon steel.

Aluminium	Aluminium can be decarbonised by connecting an existing industrial producer directly to renewable electricity.	In 2025, Scatec signed a 25-year power purchase agreement with the state-owned Egyptian Aluminium Company (EgyptAlum) for 1.1 GW of solar power and 100 MW/200 MWh of battery storage (Scatec 2025 ; Markosyan 2025). Implementation has advanced, with the African Development Bank approving up to \$66 million for a first phase comprising 500 MW of solar and 100 MWh of battery storage, expected to become operational in early 2028 (AfDB 2026).	Renewable power could strengthen competitiveness, but CBAM's current exclusion of indirect emissions limits the carbon-price advantage available in the EU market.
Methanol	Egypt's only methanol facility, at Damietta, has a capacity of up to 1.3 Mt annually and already supplies domestic and European markets (Methanex n.d.).	OECD estimates that e-methanol could be produced for around US\$714 per tonne under favourable assumptions, including grid integration and the sale of surplus renewable electricity (OECD 2026).	A credible longer-term pathway, including for shipping, but proposed projects remain early-stage and commercially uncertain.

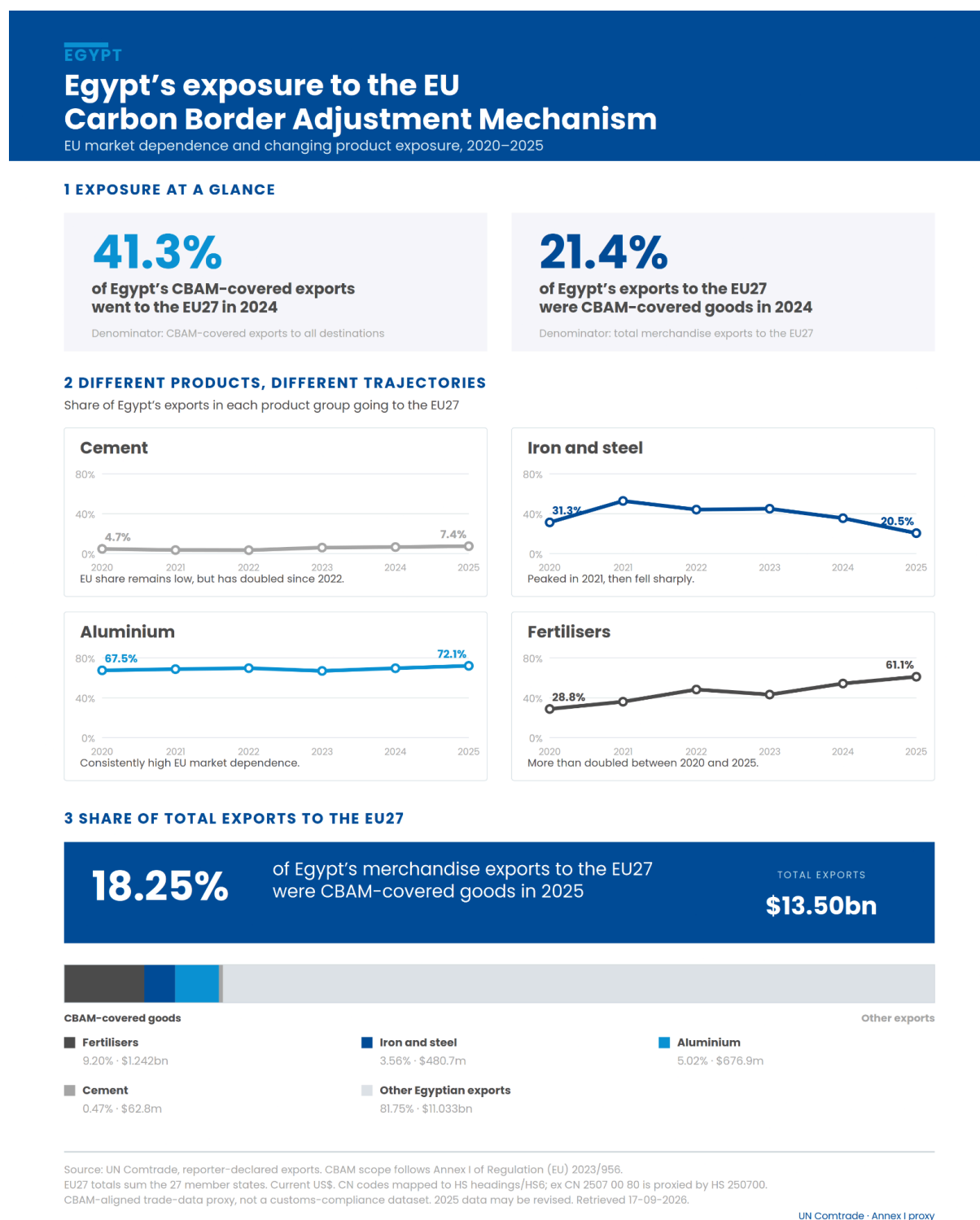
EU market opportunities and regulatory uncertainty

Egypt's proximity and access to European markets are both an advantage and a source of vulnerability. It is often cited as one of the few African countries with credible prospects for exporting green energy-intensive products to Europe and other markets ([Al-Noaimi 2025](#); [Schmerber 2026](#)). European carbon pricing and public support can create markets for these products, but this also means that investment in Egypt partly depends on how the EU balances decarbonisation, import demand and protection of domestic industry.

The EU is a major destination for Egypt's iron and steel, fertiliser and ammonia, and aluminium exports in 2025, and most of these goods now fall under the EU's Carbon Border Adjustment Mechanism (CBAM). CBAM will gradually charge an equivalent to the EU's internal carbon price on selected carbon-intensive imports ([Maliszewska et al. 2025](#); [Medinilla 2026](#)).⁸

⁸ According to WITS **gross trade data**, EU-reported [imports](#) from Egypt were equivalent to around a third (**in trade value**) of [Egypt's iron and steel](#) exports in 2025 (HS 72); according to Egypt's reported data, around [two thirds](#) of its aluminium and articles thereof (HS76) went to the EU in 2023; EU imports were equivalent to [around 70%](#) of its fertilisers [exports](#) in 2025 (HS 31); and EU imports were equivalent to [around 60%](#) of its anhydrous ammonia [exports](#) (HS 281410) in 2024. Figures are indicative (reported values compared). Latest available year used for each product.

Figure 5: Egypt's CBAM exposure



This can work both ways. CBAM exposure could reward lower-carbon Egyptian production, but the timing and scale of that advantage remain uncertain. In July 2026, the European Commission proposed slowing the phase-out of free ETS allowances for CBAM sectors and extending it from 2034 to 2038. As CBAM charges rise in line with this phase-out, the proposal would delay the full

carbon-price advantage available to lower-carbon Egyptian exports. It remains subject to approval by the European Parliament and Council ([European Commission 2026e](#)).

Hydrogen and ammonia illustrate a gap between policy ambitions and dependable demand. EU decarbonisation policies recognise a need for imports to supplement domestic production, and Fertiglobe's H2Global contract demonstrates how public support can secure early offtake. RED III should create a substantial market, but delayed and uneven national implementation, combined with limited industrial demand and few long-term offtake agreements, continues to constrain investment. Egyptian projects may therefore struggle to move from pilot production to commercial scale ([European Hydrogen Observatory 2026](#); OECD 2026).

For aluminium, CBAM does not currently cover indirect emissions from electricity use. This limits the competitive benefit EgyptAlum can derive from switching to renewable power, although indirect emissions may be included following a future EU review ([European Commission 2026f](#); Lombardi [Stocchetti and Vassallo 2025](#)). Across these sectors, the commercial return on decarbonisation therefore depends not only on Egypt's production advantages, but also on the design and implementation of European market-creation policies.

Domestic reforms and investment conditions

Domestic reforms can reinforce Egypt's export-oriented transition, although they cannot substitute for external demand. Industrial electrification and domestic demand for lower-carbon products offer complementary routes to developing green production. Higher and more market-responsive gas prices can improve the relative economics of renewable electricity and green hydrogen, but also raise costs for incumbent industries before affordable alternatives are available.

In May 2026, Egypt raised industrial gas prices to a minimum of \$6.50/MMBtu for energy-intensive industries, following the removal of subsidised gas pricing for new industrial plants in 2025 ([Adegboyega 2026](#); [Eddin 2026](#)). The reforms are part of a longer effort to reduce costly energy subsidies, which averaged 5.3% of GDP between 2011 and 2021 ([Timilsina and Sebsibie 2024](#)), and have been reinforced by Egypt's IMF-backed fiscal reforms. Yet this transition is politically and economically difficult: fertiliser producers in particular have warned that higher gas prices could undermine competitiveness and raise prices ([MEO 2025](#); [Eddin 2026](#)). At the same time, Egypt's return to gas imports and exposure to volatile international prices strengthen the structural case for replacing imported gas and grey hydrogen with domestic renewable electricity and green hydrogen where economically viable ([Hossam El-Dein 2025](#); [Hunter 2026](#)).

Investment conditions remain a separate constraint. Limited long-term offtake, high financing and foreign-exchange costs, and uncertainty over transmission, wheeling and other infrastructure reinforce one another, helping explain why few projects have reached a final investment decision ([OECD 2026](#)). Proposed changes to CBAM, including downstream product extensions, and unclear demand for hydrogen and clean fuels compound these barriers by altering expected project returns (European Commission 2026f; European Hydrogen Observatory 2026).

European support for grid infrastructure, subsidised ammonia offtake and industrial decarbonisation reflects Egypt's strategic importance as a neighbouring energy and industrial partner. Yet this support sits alongside regulatory and market signals that can weaken investment certainty. The challenge is to connect finance and infrastructure investment with sufficiently credible and durable demand to bring projects to commercial scale.

Expanding renewable generation and grid capacity, broadening industrial access to direct renewable-power contracts and ensuring predictable wheeling and balancing costs can support decarbonisation across Egypt's industrial base ([Zgheib 2025](#); [OECD 2026](#)). These reforms can help domestic decarbonisation and export opportunities reinforce one another, while reducing, but not removing, dependence on market and regulatory decisions made elsewhere.

3.2 Morocco: greening and upgrading existing industrial clusters

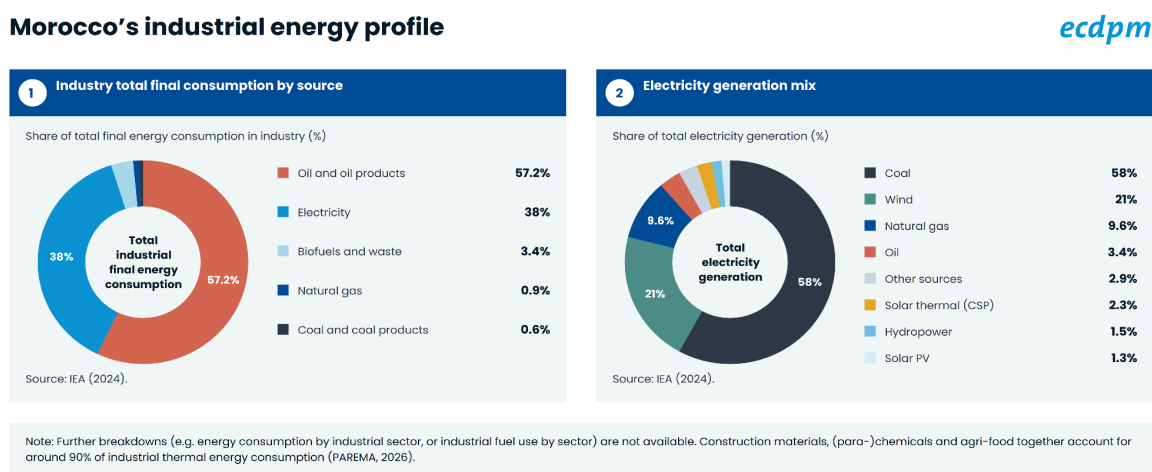
Morocco has built an export-oriented industrial base led by the automotive sector and the phosphate and derivative industries, which accounted for 35% and 19% of exports respectively in 2024 ([Boucetta 2026](#)).⁹ The EU accounted for 33.7% of Morocco's trade in goods in 2025, and absorbed 33.2% of its exports — with half of these being machinery and transport equipment, amounting to €12.9 billion ([European Commission 2025a](#); [World Bank 2025](#)). The country's infrastructure, macroeconomic stability and preferential market access have made it an increasingly attractive destination for investors nearshoring or relocating production.

Morocco is the world's largest importer of ammonia, which the state-owned OCP Group needs for its phosphate fertilisers, giving it a domestic and an export case for green hydrogen and ammonia production ([IEA 2026](#)). Its automotive cluster, meanwhile, is rapidly attracting new investments in the electric-vehicle (EV) battery value chain. Combined with vast solar and wind potential, these assets position Morocco to further integrate into European value chains, as a supplier of

⁹ World Integrated Trade Solution (WITS) **gross exports and imports data*** suggests that Morocco's fertilisers (HS 31) to the EU represented 8% of its total fertilisers exports in trade value.

both green energy carriers and clean technologies ([Pérez et al. 2025](#); [Karkare 2026](#)). The country seeks to capture a larger share of these green value chains, while the EU seeks to diversify supply and strengthen its energy security and clean-tech competitiveness, making Morocco a strategic partner in Europe's own green industrial transition ([Sinha and Schmerber 2026](#); [European Commission 2026g](#)).¹⁰

Figure 6: Morocco's industrial energy profile



Source: Authors, based on [IEA 2024c](#), [PAREMA 2026](#)

Policy ambitions and enabling infrastructure

Renewables accounted for 45.5% of Morocco's installed electricity generation capacity by mid-2025, approaching its 52% 2030 target ([IEA 2025b](#)). Their share of actual electricity generation remains around a quarter, while imported fossil fuels account for the majority of industrial energy consumption, mainly for thermal uses ([PAREMA 2026](#)). This dependence exposes firms to external price shocks, puts pressure on foreign exchange reserves, and creates growing risks for export competitiveness as carbon rules such as CBAM take effect ([IRENA 2023](#)).

Large green hydrogen projects are being designed as integrated projects with their own dedicated renewable generation, but green industrialisation ambitions such as EV-related chains will require substantially more renewable electricity, as well as desalinated water ([MASEN n.d.](#); [Karkare 2026](#)).

The government is also promoting renewable self-generation to strengthen energy security and industrial competitiveness ([Ministry of Energy Transition and Sustainable Development 2021](#); [Berahab and Emran 2026](#)). Building on earlier reforms opening renewable generation and grid access to private producers (Law

¹⁰In line with the EU-Morocco Green Partnership that includes the green economy as one of its thematic axes ([European Commission 2022](#)).

13-09, amended by Law 40-19), the 2023 'self-generation' Law (82-21) allows companies to generate electricity for their own use and sell surplus power to the grid ([Sinaceur 2023](#); [Berahab 2024](#); [El Assad 2026](#)).

As part of these reforms, the national electricity regulator (ANRE) has since set grid-access tariffs and tariffs for surplus electricity until February 2027, and approved the accounting separation of ONEE's activities, an initial step towards unbundling electricity transmission, improving cost transparency and laying the groundwork for more independent grid management ([PAREMA 2024](#); [Greentimes 2025a](#); [ANRE 2026](#)).

Despite new financing for grid investment, including \$340 million secured by ONEE from the EIB and KfW in 2025 ([Kumar 2025](#)), the cost and predictability of grid access, wheeling, and balancing remain critical to scaling industrial renewable electricity use.

Some large industrial users are already securing their own clean supply, illustrating how industrial demand can anchor renewable capacity. For instance, the Tangier Automotive City Solar park integrates renewable energy into Morocco's automotive manufacturing, while OCP's subsidiary Green Energy expects to deliver 1.2 GW of generation and 2 GWh of storage to power the group's industrial sites ([El Hafdaoui et al. 2025](#); [IEA 2025b](#); [OCP 2025a](#)). Wider decarbonisation, however, depends on integrating renewables into an ageing grid, improving transmission, connecting distant renewable sites to demand centres and expanding storage, as planned at the Noor Midelt I and II solar plants ([IRENA 2023](#); [IEA 2025b](#)). Cross-border infrastructure provides a further channel of cooperation for the EU-Med region. Morocco's two interconnectors with Spain, with a combined capacity of 1,400 MW, are the only operational electricity link between Africa and Europe, and provide a model for further interconnections across the region ([Greentimes 2025b](#)).

Table 3. Where green industrialisation could take hold in Morocco

Sector	Existing base	Recent developments	Link to Europe	Main qualification
Green ammonia and fertilisers	OCP's leading position in phosphate fertilisers; largest ammonia importer (Vedie 2026 ; IEA 2026)	\$13 billion Green Investment Programme; Jorf demonstrator project backed by a €30 million German PtX grant; Morocco's offer projects with actors such as Engie and TotalEnergies (Africa Energy Portal 2024 ; OCP 2025b ; Innovx 2025)	OCP's Tarfaya prospective facility with 1 million tons capacity already pre-certified under the EU's Renewable Energy Directive; Jorf Hydrogen flagship project as template and to produce 100,000t for OCP – targeting EU market (MED-GEM n.d. ; Innovx 2025)	No project at final investment decision; ambitious timelines (Sinha and Schmerber 2026)
Automotive and EVs	Africa's largest car producer; local integration rate of 69% (Karkare 2026)	Stellantis producing Opel EV models (Karkare 2026)	Around 80% of car and component exports go to the EU (Karkare 2026)	Heavy reliance on EU markets, demand, and regulations
Battery materials and cells	Automotive cluster; cobalt refining; NMC and LFP battery cathode emerging industries; phosphate chemistry	COBCO producing cathode precursors since June 2025; Gotion gigafactory in Kenitra, and JV with Volkswagen to produce LFP battery cathode material; BTR anode materials in Tangier (CSCEC 2026 , Assocle 2026 ; Morocco's National Portal 2025 ; Eljehtimi 2025)	COBCO supply agreement with Umicore; Gotion integrating European EV battery chains (Batteries International 2025 ; Assocle 2026)	Largely Chinese investments; energy-intensive; upgrading requires battery-grade inputs (Azerblou et al. 2026)

Green ammonia and hydrogen: investment promotion faced with delayed demand

Morocco's state-owned OCP Group dominates global production of phosphoric acid and is a major supplier of phosphate-based fertilisers (DAP, MAP and TSP), which depend on imported ammonia and consume large amounts of energy ([Vedie 2026](#); [IEA 2026](#)). Morocco's minimal hydrocarbon reserves and the fertiliser supply shock caused by the Hormuz crisis strengthen the case for its green hydrogen strategy, particularly the production of green ammonia for domestic fertiliser manufacturing and export. Green hydrogen production could reach 415–905 kt by 2030, requiring up to 5.2 GW of electrolyser capacity and 8–15 GW of renewable energy, with production costs modelled as low as \$3.2/kg ([IEA 2026](#)).

The government employs a centralised strategy for attracting export-oriented hydrogen and ammonia projects by creating favourable investment conditions and targeted incentives ([Sinha and Schmerber 2026](#); [GH2 n.d.](#)). Morocco's Green Hydrogen Roadmap and the 'Moroccan Offer' promote integrated, large-scale Power-to-X projects that link renewable generation and electrolysis with the production of ammonia, methanol and synthetic fuels ([MASEN n.d.](#); [Pérez et al. 2025](#)).

To facilitate new investments, the Moroccan Agency for Sustainable Energy (MASEN) acts as a single focal point, allocating land and supporting project developers as they work towards final investment decisions ([Sinha and Schmerber 2026](#)). Investors, in turn, must identify preliminary offtakers, making early demand commitments a key part of project development. In 2025, a total of \$32.5 billion in projects were approved, some of which have signed land agreements and are conducting feasibility studies ([Africa Energy Portal 2025](#)). Despite a relatively low risk perception, none of these projects has reached FID yet. Export-oriented projects are most exposed to offtake and revenue uncertainty, lacking firm commitments from European buyers and depending on EU clarity on carbon pricing, binding mandates, certification, and future market size for imported green hydrogen derivatives ([Sinha and Schmerber 2026](#)).

OCP, in turn, is pursuing a parallel, more vertically integrated approach. It has built a network of institutions around Mohammed VI Polytechnic University, its investment arm Innovx, and Hydrojeel, which leads its hydrogen and ammonia projects ([OCP n.d.](#); [Innovx n.d.](#); [Hydrojeel n.d.](#)). OCP's \$13 billion Green Investment Programme aims to decarbonise fertiliser production and to supply green ammonia and hydrogen to other industries such as steel, aluminium and glass ([OCP 2025b](#)). A demonstrator project for green ammonia is currently in development, backed by €30m in German grant funding, to serve as a template for the Group's planned Tarfaya Project targeting 1Mt of green ammonia annually.

The project has already secured pre-certification for renewable fuels of non-biological origin under the EU's Renewable Energy Directive, signalling commitment to export to the EU ([Innovx 2025](#); [Njovu 2025](#); [MED-GEM n.d.](#)). By acting as a “developer, buyer, and end user” of ammonia, OCP internalises demand and may remove much of this revenue uncertainty, yet it is also contingent on the cost competitiveness of green vs grey hydrogen ([Sinha and Schmerber 2026](#)).

Electric vehicles and batteries: building clean tech on top of an existing cluster

Morocco's automotive sector was built through successive industrial policy strategies over the past two decades, combining tax incentives, training schemes and integrated industrial platforms such as Tanger Automotive City, linked to the Tanger Med port ([Jaïdi 2026](#); [Boucetta 2026](#)).

This ‘industrial acceleration’ strategy produced a tiered supply chain around automotive manufacturing and assembly, including wiring harnesses to embedded electronics. Local integration of automotive manufacturing reached 69% by late 2025, and new hubs such as the Kenitra Industrial acceleration zone (ZAI) are attracting additional lead firms ([Karkare 2026](#)). The government now seeks to extend this model by strengthening links between large groups and Moroccan SMEs, and capturing the offshoring of Chinese manufacturing ([Ministry of Industry and Trade n.d.](#)).

Stellantis already produces electric and hybrid vehicles in Morocco, and the country is increasingly positioning itself in lithium-ion battery chemistries, including NMC and LFP batteries ([Stellantis 2026](#); [Azerblou et al. 2026](#)). New battery investments are located in existing industrial platforms and cover several stages of the value chain. COBCO, a \$2 billion joint venture between Morocco's Al Mada and China's CNGR, began producing NMC cathode precursors in June 2025 at Jorf Lafsar, which will feed Umicore's cathode active material production lines under a long-term agreement, and will produce LFP cathodes “as soon as a regional LFP battery ecosystem emerges” ([Morocco's National Portal 2025](#); [Batteries International 2025](#)).

Sino-European Gotion High Tech is building a \$6.5 billion gigafactory of lithium-ion battery cells and packs aimed at European markets in the Kenitra automotive hub, and has recently established a joint venture with Volkswagen (a large shareholder) to produce cathode material for LFP batteries ([Assocle 2026](#); [Greentimes 2026](#)). BTR is advancing with the construction of a lithium-ion battery anode material factory at Tangier Tech City ([CSCEC 2026](#)).

Morocco is also able to leverage upstream capabilities. Managem Group signed a \$113 million contract with BMW in 2020 to supply 20% of its cobalt metal needs. Managem has recently completed the construction of a cobalt sulphate refinery facility, signed a supply deal to export 5,000 tonnes of cobalt sulphate per year to Renault for EV battery production, and is developing a battery-recycling facility to meet the EU requirement of at least 30% recycled metal content from 2030 ([Managem 2025](#); [Managem Inside 2026](#)).

These investments open the door for a degree of specialisation in lithium-ion battery manufacturing. The transition-metal sulphates that make up 80% of cathode precursor inputs can be produced domestically rather than exporting raw nickel and manganese ([Azerblou et al. 2026](#))¹¹.

Morocco's trade agreements with the EU and US, combined with its established automotive industry, have attracted Chinese battery manufacturers seeking access to Western markets, including through the US Inflation Reduction Act's "friend-shoring" provisions ([Byamungu 2024](#)).

Chinese investment brings capital and expertise in battery-material refining and manufacturing, while offering European carmakers access to locally produced battery components and technologies. This could strengthen Morocco's role in EV supply chains, supporting cost-competitive production and greater domestic value addition ([Karkare 2026](#)). Tighter US restrictions on Chinese-linked supply chains and the termination of US EV tax credits in 2025 have weakened incentives for US-oriented investment. This makes access to the EU market, including compliance with rules of origin and potential eligibility requirements under the Industrial Accelerator Act (IAA), even more important ([Byamungu 2024](#)).

EU market opportunities and regulatory uncertainty

Morocco's model is based on a centralised industrial policy process targeting large-scale investors, with, in some cases, Moroccan equity participation, and localisation targets, particularly in the automotive and EV battery industry. This has allowed Morocco to position itself as a viable clean tech manufacturing destination, leveraging existing EU market access and trade relations.

The rules of origin of the EU-Morocco Association Agreement allow full cumulation with the EU and, through the Pan-Euro-Mediterranean Convention, diagonal cumulation with other regional partners linked by FTAs ([European Commission](#)

¹¹ Managem aims to supply battery-grade manganese sulphate to the EV gigafactories under development, while COBCO plans to refine nickel, cobalt and manganese and recycle end-of-life batteries locally ([Managem 2025](#); [Morocco's National Portal 2025](#)).

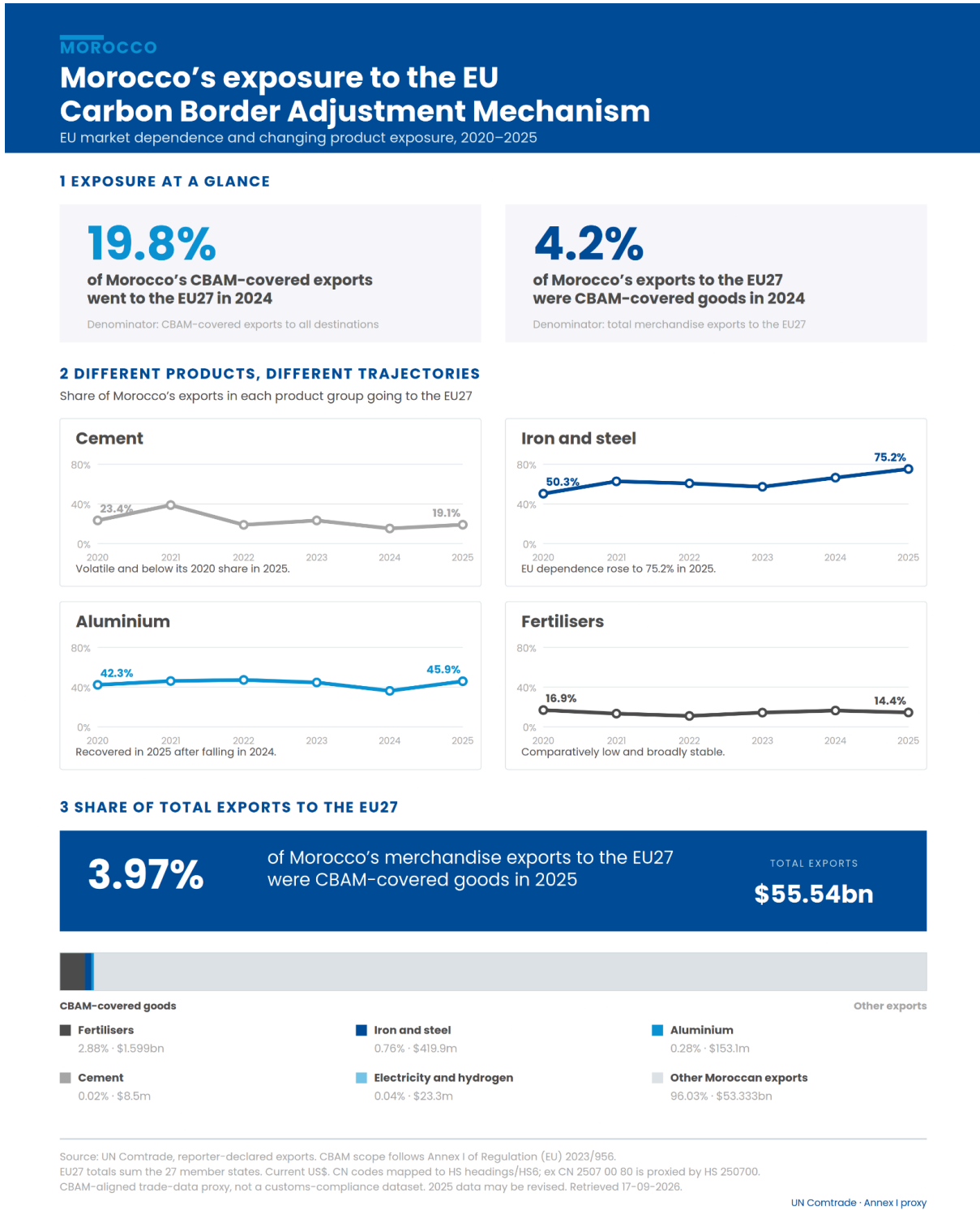
[2026h](#)). Manufacturers can thus integrate Moroccan production into European value chains while retaining preferential tariff treatment.

For green hydrogen, however, the issue is less access than demand. EU carbon pricing and public support for clean fuels are essential to the viability of green hydrogen investments, yet weak demand signals may further delay final investment decisions. European finance can play a key role in supporting these early-stage projects. However, as EU financing becomes increasingly linked to European procurement requirements, some projects under the 'Moroccan Offer', particularly those led by non-EU developers, may struggle to qualify for future EU support.

A greater challenge, though, is that preferential access itself has become politically sensitive. EU officials increasingly view the emerging cluster of Chinese auto-parts and battery-component manufacturers as a backdoor for Chinese excess production, and find it hard to distinguish "genuine Chinese industrial collaboration with Morocco from import tariffs circumvention" ([Foster and Bounds 2026](#)). The EU's Industrial Action Plan for the automotive sector commits the Commission to look into specific rules of origin in trade defence for the EV ecosystem, and to deter firms engaged in unfair practices from leveraging countries with preferential access to the EU market ([European Commission 2025b](#)). The proposed Industrial Accelerator Act introduces a minimum "Made in EU" requirement for batteries, solar PV and key vehicle components in public procurement and support schemes, while content from FTA partners could be counted as non-equivalent to Union origin to "avoid dependencies or threats to security of supply" ([European Commission 2026i](#)).

Whether, and on what terms, Morocco qualifies as an equivalent supplier will shape not only how far its battery investments can serve the markets the IAA seeks to create, but also the prospects for a win-win green industrial partnership.

Figure 7: Morocco's CBAM exposure



3.3 Türkiye: an incumbent industrial base under decarbonisation pressure and strategic transition

Türkiye's green industrial transition centres on upgrading a large, export-oriented industrial base deeply integrated into European value chains. Unlike the EU's free trade arrangements with other Mediterranean partners such as Morocco and Egypt, its customs union with Türkiye entails deeper integration, requiring alignment with EU external tariffs and many rules governing industrial goods. This integration can support green technological upgrading, but also exposes Turkish producers disproportionately to changes in European trade and industrial policy.

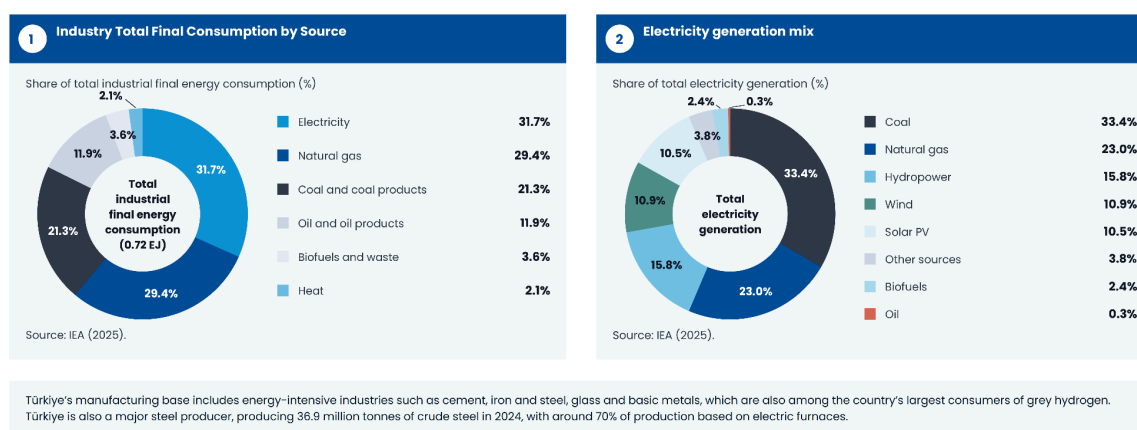
The EU is by far Türkiye's largest export market and a key destination for manufactured goods such as steel, automotive products, machinery and white goods. Industrial decarbonisation is therefore central to preserving competitiveness and maintaining access to European markets, while also creating opportunities for industrial diversification.

The EU–Türkiye customs agreement makes Türkiye a key nearshoring destination, showing significant export growth in both goods and services over the past ten years ([Andaman Partners 2026](#)). The trade framework nevertheless differs across sectors: covered industrial goods benefit from the Customs Union, while coal and steel products are governed by a separate preferential trade agreement ([European Commission 2025c](#)). These arrangements underpin the current level of industrial integration, but they do not remove exposure to the EU's new carbon border rules, tightening trade restrictions for steel or conditions attached to European support.

Figure 8: Türkiye's industrial energy profile

Türkiye's industrial energy profile

ecdpm



Source: IEA (2025c); Turkstat (2025).

Türkiye has committed to achieving net-zero emissions by 2053, with its second NDC submitted in November 2025 ([UNFCCC 2025](#)). Türkiye's 2023 Green Growth Technology Roadmap frames industrial decarbonisation as part of a broader green growth and competitiveness strategy, rather than solely as climate policy, identifying priority technologies for steel, aluminium, cement, chemicals, plastics and fertilisers, setting milestones for 2026, 2030 and 2035 ([Tübitak 2023](#)).

CBAM has made industrial decarbonisation a competitiveness and market-access issue for Türkiye's export-oriented industries, particularly cement, steel, aluminium and fertilisers ([Taranto 2026](#); [Türkiye's Directorate for EU Affairs 2024](#)). Although formal obligations fall on authorised CBAM declarants in the EU, the resulting costs and emissions-reporting requirements create commercial pressures for Turkish exporters.

Turning this pressure into industrial transformation remains difficult. Corporate investment in cleaner production, renewable-electricity procurement and emissions monitoring depends on supportive regulation, market arrangements and implementation capacity. Gaps in these areas limit Türkiye's ability to translate its climate ambitions into industrial investment ([Owusu-Mante 2026](#); [PwC Türkiye 2023](#)). The design of Türkiye's emerging ETS also matters. Its 2026–2027 pilot provides for reporting-only obligations in 2026 and fully free, benchmark-based allowance allocation, making benchmark stringency central to the initial incentive to cut emissions ([ICAP 2026](#)). A weak carbon-price signal would provide little incentive to decarbonise ([Tamellini 2026](#)). An effective ETS could reduce CBAM liabilities where an eligible carbon price has been paid in Türkiye and generate public revenues to support industrial upgrading. These effects depend on different design choices: the net carbon price paid, after rebates or compensation, determines the potential CBAM deduction.

Türkiye is likely to see a significant impact of the proposed 2026 CBAM downstream extension for steel and aluminium products. Bruegel estimates that its CBAM-covered exports could nearly double from 9 to roughly 18% ([Fuchs et al. 2026](#)). The implications extend beyond sectors directly covered by CBAM. EU procurement rules, subsidies, standards and other industrial-policy measures also shape Turkish firms' access to emerging green markets ([Tastan and Yalçın 2026](#)). Automotive, machinery and white-goods manufacturers may face customer demands for emissions data and lower-carbon materials even where their finished products fall outside CBAM. Türkiye's broader manufacturing competitiveness therefore depends partly on how its firms adapt to the EU's changing industrial policies.

Financial cooperation is beginning to support this adjustment. The EIB's renewed engagement in 2026 includes €200 million for renewable-energy and

energy-efficiency investment by Turkish businesses, linking decarbonisation to export competitiveness and more resilient supply chains ([EIB 2026](#)). The Türkiye Industrial Decarbonisation Investment Platform (TIDIP), led by the Turkish government with EBRD coordination, brings together multilateral development banks to implement sectoral decarbonisation pathways. It targets more than €5 billion in projects under implementation by 2030, initially focusing on iron and steel, cement, aluminium and fertilisers ([EBRD 2025](#)).

These initiatives address only part of Türkiye's financing needs. For scale, the World Bank estimated that an economy-wide resilient net-zero pathway would require US\$165 billion in additional investment over 2022–2040, measured in present-value terms against a baseline scenario ([World Bank 2022](#)). Nor do these financing initiatives, by themselves, constitute a comprehensive EU–Türkiye green industrial partnership. The strategic question is whether cooperation will deepen Türkiye's existing integration into European manufacturing through joint investment in low-carbon production, or remain focused mainly on helping Turkish suppliers comply with EU requirements.

Turkish steel: between industrial integration and European protection

The steel sector illustrates these broader dynamics. The EU accounts for around 38% of Turkish steel exports ([Tradelint 2025](#)), while Türkiye's high share of scrap-based electric arc furnace (EAF) production gives many producers a relatively strong starting position for lower-carbon steel.

Yet Türkiye also faces an industrial upgrading challenge: long steel is particularly exposed to global overcapacity, while higher-value flat steel offers stronger links to automotive, machinery and clean-energy value chains. Low-emission hot-briquetted iron (HBI) could complement scrap in Turkish EAF production. Supply from the Middle East and North Africa could support a Türkiye–MENA–EU low-carbon steel value chain, although its climate benefits would depend on the emissions intensity of the HBI and the material it replaces ([Millard 2026](#)). These features, however, show that Turkish steel capabilities are not dissimilar to the EU's, which also faces challenges financing new DRI production.

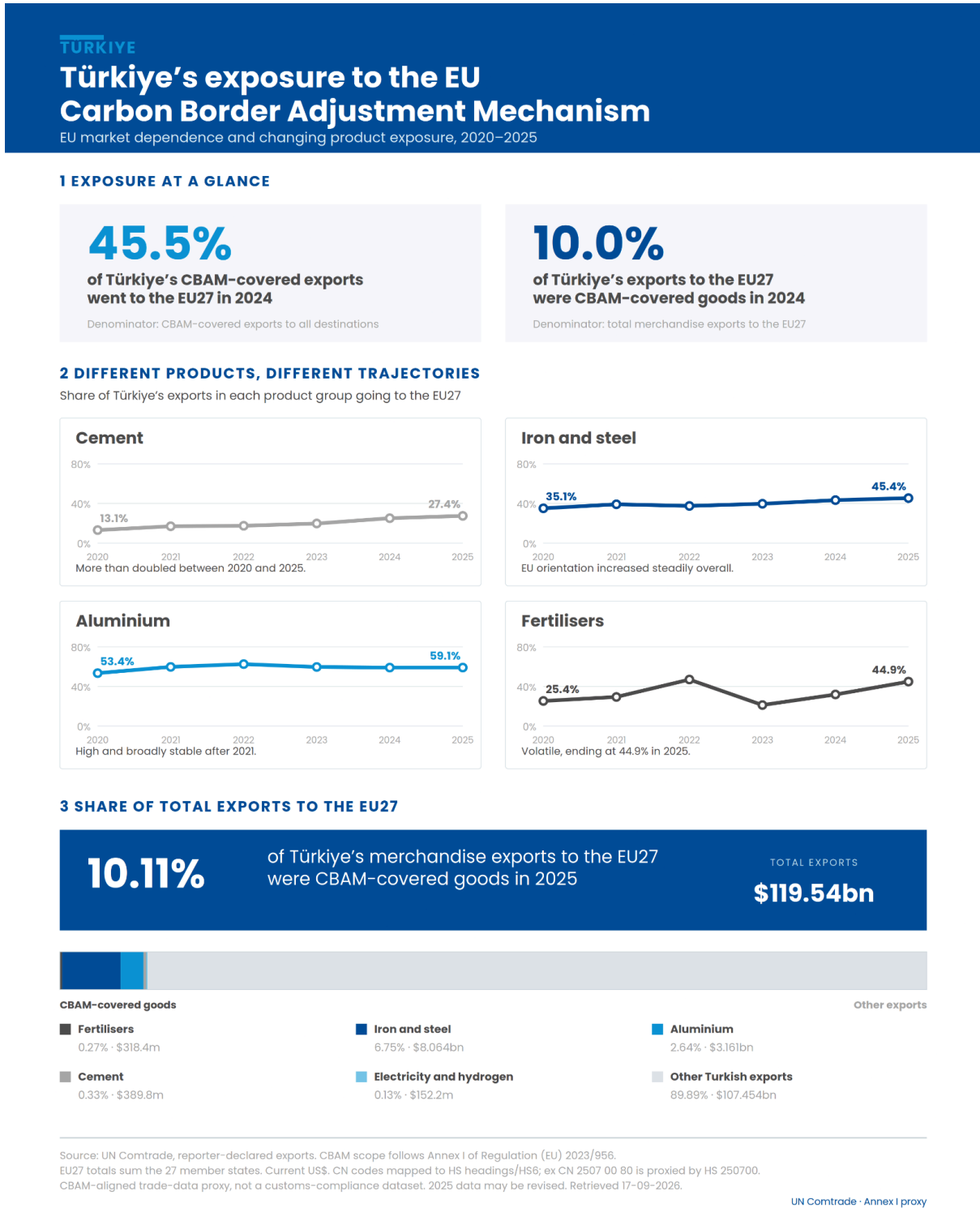
Türkiye's scrap-based steel industry also depends heavily on European supplies: the EU exported 10.8 million tonnes of scrap to Türkiye in 2025 ([BIR 2026](#)). This creates exposure to possible EU measures to retain scrap, including export fees or duties considered in the Steel and Metals Action Plan ([European Commission 2026j](#)). Separately, proposed CBAM changes would include the embedded emissions of pre-consumer scrap in calculations for imported steel products, potentially increasing liabilities for producers using this feedstock.

Turkish steel decarbonisation today may see a “triple squeeze” from EU policy:

1. **Decarbonisation pressure through CBAM.** CBAM turns embedded emissions into a market access factor, increasing the commercial value of reducing the embedded emissions covered by the mechanism in Turkish steel exports and strengthening incentives for lower-emission production and energy efficiency. Türkiye’s high share of scrap-based EAF production provides a relative advantage. Cleaner electricity remains important to its overall carbon performance, although its effect on CBAM liabilities depends on the treatment of indirect emissions.
2. **Market-access pressure through tighter steel quotas.** The EU in 2026 cut its tariff-free steel quota by 47% from 2024, with a 50% duty above quota ([European Commission 2026k](#); [EUR-LEX 2026](#)). Turkish quotas were more than halved across multiple product categories. The Turkish Steel Exporters’ Association estimates that this could cut exports to the EU by 3.5 million tonnes, putting US\$3 billion in annual revenues at risk. Türkiye’s quarterly hot-rolled coil quota was reportedly oversubscribed by 43% on the first day ([Gluschchenko 2026](#)).
3. **Emerging requirements on carbon performance and production origin.** Low-carbon product standards, procurement criteria and traceability requirements will increasingly shape participation in Europe’s steel market. The future Digital Product Passport is intended to improve product-level transparency, although specific requirements for iron and steel remain to be established ([European Commission n.d.b](#)). Separately, the new Steel Regulation introduces “melt-and-pour” traceability, requiring evidence of where steel was originally melted and poured. This identifies production origin rather than certifying low-carbon performance ([European Commission 2026l](#)).

Individually, each measure responds to a legitimate European policy objective. Together, these measures send an uneven investment signal. Turkish producers face incentives to reduce emissions and upgrade production, while the scale and accessibility of the European market that could reward those investments remain uncertain at best. For the EU, they raise a strategic trade-off: tighter protection for domestic steelmakers may also constrain investment in low-carbon industrial value chains with neighbouring partners.

Figure 9: Türkiye’s CBAM exposure



4. Conclusion

Mediterranean green industrialisation is becoming more concrete, but not through a single regional model. Egypt, Morocco and Türkiye illustrate distinct, overlapping pathways shaped by their industrial bases, energy systems and European market ties: decarbonising energy-intensive production, building clean-tech manufacturing around existing industrial ecosystems, and upgrading an established export-oriented manufacturing base.

Across the three cases, early hydrogen and industrial projects, growing battery and electric-vehicle investment, more proactive industrial policies and an emerging EU–Mediterranean financing architecture show progress. Yet these remain selective advances rather than a regional commercial breakthrough. Announcements have outpaced investment decisions, while demonstrations often lack a dependable route to scale.

The cases reveal a common tension in the EU's approach. European carbon pricing, demand projections and public finance can strengthen the investment case for low-carbon production in neighbouring countries. At the same time, tighter trade protection, European-preference requirements and uncertainty around future demand can weaken the market access and revenue expectations on which those investments depend.

These tensions differ across the three countries. CBAM covers around 18% of Egypt's exports to the EU, compared with 10% of Türkiye's and under 4% of Morocco's. For Egypt, access to European markets could reward cleaner energy-intensive production, but uncertain demand still constrains investment in hydrogen and its derivatives. Blended finance and subsidised procurement can establish early markets, but cannot substitute for dependable long-term revenues. In Türkiye, tighter steel quotas risk undermining the export revenues needed to finance industrial decarbonisation, weakening CBAM's incentives. Morocco's lower direct exposure makes CBAM less central to its transition. Domestic ammonia demand could support early green hydrogen investments, but scaling production in the near term still depends on export markets.

Morocco's automotive and battery industries reveal a more global tension. Combining local capabilities, European manufacturing networks and Chinese capital and technology can support industrial upgrading and competitive sourcing for European carmakers. Yet European concerns over Chinese subsidies and tariff circumvention could expose Moroccan clean-tech exports to greater scrutiny and EU trade-defence measures, while its FTA status does not guarantee access to EU public procurement and public support markets moving forward.

These tensions cannot be fully eliminated. European industries face genuine pressures from high energy costs, global overcapacity and international competition, while Mediterranean producers face their own structural constraints. Proximity alone guarantees neither competitiveness nor lower emissions. The challenge is to make these trade-offs explicit and protect legitimate European industrial interests while sustaining credible opportunities for neighbouring countries to upgrade production and capture greater value.

Emerging initiatives such as T-MED offer a platform to link regulatory cooperation with European investment and EU industrial participation. Their success will depend on connecting finance for production and infrastructure with credible demand and predictable market access, yet they also depend on EU trade and industrial policies that support these partnerships.

5. Three priorities to make EU–Mediterranean industrial integration viable

Strengthening the EU–Mediterranean financing architecture, through T-MED and beyond

DG MENA – DG ENEST – EU DFIs

T-MED EU MFF – Global Europe

T-MED can help organise financing around national industrial priorities, linking production with renewable electricity, grids, storage and logistics within the wider Mediterranean financing architecture. Scaling investment requires European, regional and multilateral financiers and policy-makers to coordinate project preparation and mitigate risks related to offtake and local currency fluctuations. Combining concessional finance and guarantees with long-term purchasing commitments, including with public backing, can help projects become bankable and scalable.

Strategic procurement to support European private sector investments is a legitimate ambition within the EU competitiveness and economic security agenda. Yet this approach primarily takes the form of European-preference eligibility requirements.

Other approaches to strategic procurement could be explored, notably strategic project origination. Supporting projects at an early stage carries risks, but well-designed support can help secure European companies' participation in subsequent development, construction and operation. Moving forward, it will be important to further develop the strategic procurement toolbox and explore other tools beyond European preference, to engage more effectively the European private sector. In addition, financiers, developers and vendors need to be more closely involved in shaping these requirements and given a transition period to adapt their processes and limit disruptions.

Aligning EU trade policy with green industrial partnerships

DG TRADE – DG GROW – DG TAXUD

IAA – Steel regulation – CBAM

Industrial partnerships require greater consistency between carbon incentives, trade protection and access to European markets.

For steel tariff differentiation, using dedicated tariff-free quotas for verified near-zero-emission primary steel could reward clean investment while retaining protection against conventional overcapacity. The proposal by [Sharpe et al. \(2026\)](#) links access to reciprocal commitments, potentially covering standards, emissions verification and carbon pricing, within broader cooperation on Mediterranean green iron, HBI and steel value chains.

For clean technologies, a durable investment pathway is needed for manufacturing that combines local capabilities, European production networks and Chinese capital or technology. Clear rules on preferential origin, anti-circumvention and eligibility for European procurement and support would reduce uncertainty. Transparent criteria for substantive local production and value creation could distinguish industrial upgrading from trade-measure evasion while addressing subsidy and security concerns. The proposed IAA's foreign-investment provisions offer a starting point for partnership conditions rewarding production, skills and technology transfer.

Assessing new EU measures' effects on partner-country industries before implementation, and allowing adjustment periods reflecting investment and production lead times, would strengthen predictability.

Expanding the domestic policy space for green industrialisation

SMed governments

Domestic strategies need to build on countries' production capabilities, energy needs and development priorities. More ambitious fiscal and fossil-fuel subsidy reforms are critical to support a broader industrial transition to renewables beyond export sectors.

Southern Mediterranean economies should accelerate the introduction of carbon pricing mechanisms that create incentives that are adapted to their energy-intensive industrial base, and supported by credible, localised emissions monitoring, reporting and verification services. This goes beyond reducing exposure to CBAM.

Electrification and projects serving existing demand, such as ammonia for fertilisers or clean electricity for manufacturing, can strengthen energy security and industrial development. Diversifying export markets can further reduce dependence on European policy decisions while preserving opportunities for deeper integration.

References

- Adegboyega, A. (2026). [Egypt raises gas prices for industries as energy crisis deepens and IMF reforms bite](#). Business Insider Africa.
- Advisian (2024). [Egypt's National Low Carbon Hydrogen Strategy](#). Published by the Egyptian government and prepared by Advisian with EBRD support.
- AfDB (2026). [Egypt: African Development Bank to invest \\$66 million in first phase of 500 MW Dandara solar project with battery storage](#). News and Events. African Development Bank Group.
- Africa Energy Portal (2024). [TotalEnergies, Morocco Team Up for Green Hydrogen Breakthrough](#). Africa Energy Portal.
- Africa Energy Portal (2025). [Morocco Approves \\$32.5 B Green Hydrogen Mega Projects](#). Africa Energy Portal.
- Al-Noaimi, F. (2025). [Leveraging Green Trade: The MENA Region's Opportunity in the Global Green Iron and Steel Market](#). A Policy Paper by the Carboun Institute's Green Industry Project.
- Alkousaa, R. (2024). [Germany awards tender to Fertiglobe for green ammonia from Egypt](#). Reuters.
- Andaman Partners (2026). [Türkiye Is Emerging as Europe's Nearshoring Anchor for Industrial Production](#). Andaman Partners.
- ANRE (2026). [The National Electricity Regulatory Authority sets the tariff for the surplus of electrical energy for the regulatory period from March 1st, 2026 to February 28th, 2027](#).
- Ashraf, D. (2026). [Egypt's Renewables Capacity Reaches 9.5 GW, Targets 11.2 GW by End 2026](#). Egypt Oil & Gas Group.
- Asolu, I. (2026). [Egypt Lands \\$700m Clean Energy Manufacturing Deal](#). The Electricity Hub.
- Assocle, S. (2026). [Volkswagen-Gotion Deal Pulls Morocco Deeper Into a Battery Supply Chain Serving Europe](#). Ecofin Agency.
- Atchison, J. (2026). [Egypt Green project secures European Investment Bank funding, FID approaches](#). Ammonia Energy Association.
- Azerblou, S., Oubah, R., Ouachtouk, H., and Tace, E. (2026). [Exploring the processing of nickel, manganese, and cobalt precursors for lithium-ion batteries in Morocco: Insights, challenges, and perspectives](#). Next Energy, Volume 11.
- Batteries International (2025). [COBCO starts-up \\$2bn Morocco battery materials plant](#). Industry Insights. News.

Berahab, R. (2024). [Transforming Economies: How Is the Green Transition Shaping Trade and Industrial Policies? A Focus on Morocco](#). Policy Center for the New South.

Berahab, R., and Emran, S. (2026). [‘Climate change, environmental sustainability, and Moroccan green transition’](#), in El Aynaoui, K., and Oqubay, A. (eds.). The Oxford Handbook of the Moroccan Economy, Oxford Handbooks.

BIR (2026). [World Steel Recycling in Figures: January–December 2025 update](#). BIR.

Boucetta, M. (2026). [Morocco’s economic diplomacy and development](#), in El Aynaoui, K., and Oqubay, A. (eds.). The Oxford Handbook of the Moroccan Economy, Oxford Handbook.

Brugger, F. (2026). [Manufacturing and Environmental Performance in Egypt: Evidence and Policy Options](#). Inclusive and Sustainable Industrial Development Working Paper Series, 2/2026. United Nations Industrial Development Organisation.

Byamungu, C. (2024). [Morocco, an Unexpected Winner of China’s Strategy to Circumvent the U.S. Inflation Reduction Act](#). CSIS.

China State Construction Engineering Corporation (2026). [CSCEC–built BTR 60,000–tonne anode material factory advances steadily in Morocco](#).

Cosbey, A., Davis, W., Lang, B., Winanti, P., and Karkare, P. (2026). [Industrial Policy for the Battery Age: Lessons from China, Indonesia, and Morocco](#). IISD Report. International Institute for Sustainable Development.

Eddin, S. (2026). [‘Subsidizing profit?’ – A look into the lifespan of energy subsidies for the industrial sector](#). Mada.

El Assad, I. (2026). [Morocco’s self-generation decree: what the regulatory shift actually means](#). The Net–Zero Circle.

El Hafdaoui, H., Khallaayoun, A., Al-Majeed, S. (2025). [Renewable energies in Morocco: A comprehensive review and analysis of current status, policy framework, and prospective potential](#). ScienceDirect.

El-Sayed, F. (2026). [Egypt’s \\$10 Billion Green Hydrogen Gamble Could Power Europe](#). AfriCapital Review.

Eljechtimi, A. (2025). [Sino–Moroccan COBCO begins producing EV battery materials](#). Reuters.

ENN (2026). [Egypt commits €690 million to the grid before it sells a single unit to Europe](#). Energy News Network.

Enterprise AM (2026). [Egypt has raised its renewables target to 45% by 2028 without publishing the demand forecast to verify it](#). Enterprise AM.

EUR-LEX (2026). [Regulation \(EU\) 2026/1384 of the European Parliament and of the Council of 17 June 2026 addressing the negative trade-related effects of global overcapacity on the Union steel market and amending Regulation \(EU\) 2020/2170.](#)

European Bank for Reconstruction and Development (2025). [Secretariat of the Türkiye Industrial Decarbonisation Investment Platform.](#)

European Commission (2022). [The EU and Morocco launch the first Green Partnership on energy, climate and the environment ahead of COP 27.](#) Directorate-General for Neighbourhood and Enlargement Negotiations.

European Commission (2025a). [EU trade relations with Morocco. Facts, figures and latest developments.](#) Directorate-General for Trade and Economic Security.

European Commission (2025b). [Communication from the Commission to the European Parliament, Council, Economic and Social Committee, and Committee of the Regions: Industrial Action Plan for the European Automotive Sector.](#) EUR-Lex COM/2025/95 final.

European Commission (2025c). [EU trade relations with Türkiye. Facts, figures and latest developments.](#) Directorate-General for Trade and Economic Security.

European Commission (2026a). [T-MED: Trans-Mediterranean Renewable Energy and Clean-Tech Cooperation Initiative.](#) Directorate-General for the Middle East, North Africa and the Gulf.

European Commission (2026b). [EU to mobilise up to €25 billion for renewable energy and clean technology by 2035 through Pact for the Mediterranean initiative.](#) News Article. Directorate-General for the Middle East, North Africa and the Gulf.

European Commission (2026c). [The Pan-Euro-Mediterranean cumulation and the PEM Convention.](#) Directorate-General for Taxation and Customs Union.

European Commission (2026d). [EU and Egypt launch initiatives for sustainable energy cooperation.](#) News Article. Directorate-General for the Middle East, North Africa and the Gulf.

European Commission (2026e). [Allocation to industrial installations.](#) Directorate-General for Climate Action.

European Commission (2026f). [Carbon Border Adjustment Mechanism \(CBAM\).](#) Directorate-General for Taxation and Customs Union.

European Commission (2026g). [T-MED: Trans-Mediterranean Renewable Energy and Clean Tech Cooperation Initiative.](#)

European Commission (2026h). [Commission notice concerning the application of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin or the protocols on rules of origin providing for diagonal cumulation between the Contracting Parties to this Convention.](#)

European Commission (2026i). [Proposal for a Regulation on establishing a framework of measures for accelerating industrial capacity and decarbonisation in strategic sectors \(Industrial Accelerator Act\)](#). Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs.

European Commission (2026j). [A European Steel and Metals Action Plan](#). COM (2025) 125 final.

European Commission (2026k). [Protecting EU steelmaking: Factsheet: EU steel measure](#). Directorate-General for Trade and Economic Security.

European Commission (2026l). [EU Steel Regulation: Commission launches consultation on the type of evidence to be provided on country of 'melt and pour.'](#) News Article.

European Commission (n.d.a). [Preferential rules of origin: Rules that determine the country of origin of goods](#). Directorate-General for Taxation and Customs Union.

European Commission (n.d.b). [What is a Digital Product Passport \(DPP\)?](#) Internal Market, Industry, Entrepreneurship and SMEs.

European Hydrogen Observatory (2026). [Renewable Energy Directive](#). European Commission.

European Investment Bank (2026). [Türkiye: EIB resumes financing with €200 million to support the decarbonisation of companies.](#)

Ezzsteel (n.d.). [DRI Plants – Investing in Advanced Raw Material Production](#).

Foster, P., and Bounds, A. (2026). [‘EU frets as China builds an industrial base in Morocco.’](#) Financial Times.

Fuchs, M., Bercero, I., and Reverdy, C. (2026). [Extending CBAM to downstream products risks undermining its credibility as a climate policy tool](#). Bruegel.

German Federal Ministry for Economic Affairs and Energy (2024). [Important step for global hydrogen ramp-up – Germany will work with H2Global to import green hydrogen products on a large scale from 2027](#). Press Release: The Energy Transition.

German Federal Ministry for Economic Affairs and Energy (2025). [On the way to becoming a hydrogen hub](#). Newsroom: Egypt.

Gluschchenko, A. (2026). [The cost of protection: global reactions to the EU’s new steel TRQs](#). GMK Center.

Green Hydrogen Organisation (n.d.). [GH2 Country Portal – Morocco](#).

Greentimes (2025a). [The ANRE approves the accounting separation of ONEE’s activities](#).

Greentimes (2025b). [Morocco establishes a two-way trade in electricity and gas with Spain](#).

Greentimes (2026). [Gotion High-Tech aims to launch 20 GWh of industrial batteries in Morocco by Q3 2026](#). Energy Transitions and Renewables..

Hossam El-Dein, R. (2025). [Between Reform and Resilience: Egypt's Petrochemical Gamble](#). Egypt Oil & Gas Group.

Hunter, C. (2026). [Egypt's High-Wire Act: Gas, Subsidies and the Cost of Reform](#). Energy Intelligence.

Hydrogen Council, and McKinsey & Company (2026). [Global Hydrogen Compass 2026: Deploying at scale for resilience, industrial growth, and decarbonisation](#).

Hydrojeel (n.d.). [About Hydrojeel](#).

IEA (2022). [Global Hydrogen Review 2022](#). International Energy Agency, Paris.

IEA (2023). [Global Hydrogen Review 2023](#). International Energy Agency, Paris.

IEA (2024a). [Global Hydrogen Review 2024](#). International Energy Agency, Paris.

IEA (2024b). [Countries & Regions: Egypt](#). International Energy Agency.

IEA (2024c). [Countries & Regions: Morocco](#). International Energy Agency.

IEA (2025a). [Global Hydrogen Review 2025](#). International Energy Agency, Paris.

IEA (2025b). [Morocco: 2025 Country Update](#). International Energy Agency – Photovoltaic Power Systems Programme.

IEA (2025c). [Countries & Regions: Türkiye](#). International Energy Agency.

IEA (2026). [Global Hydrogen Review 2026](#). International Energy Agency, Paris.

Innovx (2025). [HydroJeel awarded €30 million from PtX Development Fund to accelerate green ammonia production at Jorf Hydrogen Platform](#). Press release.

Innovx (n.d.). [About us](#).

International Carbon Action Partnership (2026). [Türkiye's Carbon Market Board clarifies initial national ETS pilot design](#).

IRENA (2023). [Planning and prospects for renewable power: North Africa](#). International Renewable Energy Agency, Abu Dhabi.

IRENA (2025). [Energy Transition in the Mediterranean: Optimising Trans-Regional Energy Flows](#). International Renewable Energy Agency, Abu Dhabi.

-
- Jaïdi, L. (2026). '[Moroccan automotive and aeronautics industries](#)' in El Aynaoui, K., and Oqubay, A. (eds.). The Oxford Handbook of the Moroccan Economy, Oxford Handbooks.
- Karkare, P. (2026). Morocco chapter in Cosbey, A., Davis, W., Lang, B., Winanti, P., and Karkare, P. (2026). [Industrial Policy for the Battery Age: Lessons from China, Indonesia, and Morocco](#). IISD Report. International Institute for Sustainable Development.
- Karkare, P. and Medinilla, A. (2024). [The geography of green iron and steel: New opportunities for Europe and North Africa](#). Maastricht: ECDPM.
- Kumar, P. (2025). [Morocco state company gets \\$340m for energy transition](#). Arabian Gulf Business Insight.
- Lombardi Stocchetti, F., and Vassallo, G. (2025). [Closing the CBAM gap: Including indirect emissions for EU competitiveness and global decarbonisation](#). Policy Paper. Bellona Europa.
- Maliszewska, M., Fischer, C., Jung, E., and Chepeliev, M. (2025). [Carbon Border Adjustment Mechanism \(CBAM\) Exposure Indices Methodological Note](#). Prosperity Notes Series.
- Managem Group (2025). [Annual Financial Report 2024](#).
- Managem Inside (2026). [Critical Metals: The Silent Foundations of the Modern World](#). Podcast Episode. Spotify.
- Markosyan, M. (2025). [Scatec signs PPA with Egypt Aluminium for 1.1-GW solar project](#). Renewables Now.
- MASEN (n.d.). [Green Hydrogen Moroccan Offer: An Operational and Incentive Offer with a Simplified Investor Pathway](#). Moroccan Agency For Sustainable Energy, Morocco.
- MED-GEM (n.d.). [Morocco Leads the Way in Green Hydrogen Pre-Certification: A Regional first with MED-GEM Network](#). Mediterranean Green Electrons and Molecules Network.
- Medinilla, A. (2025). [Seizing the moment for North African green industrialisation](#). ECDPM Policy Brief. Maastricht: ECDPM.
- Medinilla, A. (2026). [The EU's carbon border adjustment mechanism: Risks and opportunities for developing countries](#). In: Lochner, L. and Thiele, R. (2026). ["Goeconomic Fragmentation, Global Value Chains, and the Future of the Global South"](#) Annual Report 2025.
- Methanex (n.d.). [About us: Global locations: Egypt](#). Methanex.
- Millard, E. (2026). [EU Steel and Turkey Scrap Medium-Term Outlook: Energy shock, freight push prices higher](#). S&P Global.
- Ministry of Planning and Economic Development (2023). [The National Agenda for Sustainable Development: Egypt's Updated Vision 2030](#).

Moïsé, E., and Rubínová, S. (2023). [Trade policies to promote the circular economy: A case study of lithium-ion batteries](#). OECD Trade and Environment Working Papers, No. 2023/01, OECD Publishing, Paris.

Moroccan Ministry of Energy Transition and Sustainable Development (2021). [Morocco's long-term decarbonisation strategy \(2050\)](#).

Morocco's Ministry of Industry and Trade (n.d.). [Industrial Acceleration Plan 2014–2020](#).

National Portal of the Kingdom of Morocco (2025). [COBCO's Manufacturing Unit for Electric Battery Materials: Major Milestone in Morocco's Industry](#). News.

Njovu, G. (2025). [RFNBO pre-certification for Morocco-based renewable ammonia project](#). Ammonia Energy Association.

Nouwen, C., Zwane, C., Medinilla, A., and Lombardi Stocchetti, F. (2025). [Competitive Interdependence: A New Era for Europe–Africa Industrial and Energy Cooperation](#). Africa–Europe Foundation, CAP–A, ECDPM, Bellona Europa.

OCP (2025a). [OCP Green Energy Commissions the First Phase of its Investment Program: 202 MWP of Solar PV Capacity Now Operational](#). OCP Group.

OCP (2025b). [Sustainability Integrated Report 2024](#). OCP Group.

OCP (n.d.). [Our Strategy: Innovation](#). OCP Group.

OECD (2026). [Implementing the OECD Framework for Industry's Net-Zero Transition in Egypt: Accelerating Green Hydrogen Development, Green Finance and Investment](#). OECD Publishing, Paris.

Owusu-Mante, S. (2026). [What's Holding Back Türkiye's Climate and Energy Transition?](#) Climate Policy Lab.

PAREMA (2024). [Tariffs: National Transmission System](#). PAREMA.

PAREMA (2026). [Decarbonising Industry, What Electrification Levers for Morocco?](#) The Moroccan–German Energy Partnership.

Pérez, E., Jansen, L., and Haeckener, B. (2025). [Exploring the impacts of demand scenarios, weather variability and mitigation of emissions on Morocco's hydrogen market and renewable transition pathways](#). 24th Wind & Solar Integration Workshop.

PwC Türkiye (2023). [A Low Carbon Pathway for the Steel Sector in the Republic of Türkiye](#).

Scatec (2025). [Scatec signs PPA with Egypt Aluminium for major solar + BESS project](#). Scatec.

Schmerber, F. (2026). [MENA's green iron opportunity: Decarbonising the global steel industry](#). Green Hydrogen Organisation (GH2).

Sharpe, S., Morrisroe, J., and Gibbins, M. (2026). [Tariff-free quotas for clean primary steel](#). Discussion Paper, S-curve economics.

Sinaceur, O. (2023). [Morocco: A new legal framework for Independent Power producers](#). White & Case.

Sinha, S., and Schmerber, F. (2026). [From ambition to bankability: Unlocking final investment decision for green hydrogen in Egypt and Morocco](#). Green Hydrogen Organisation.

Stellantis (2026). [Stellantis Morocco is consolidating its momentum in 2025 and reaffirming its vision of useful, affordable and sustainable mobility](#). Press Releases.

Suez Steel Co. (n.d.). [Plants and Processes: Direct Reduction Plant](#).

Tamellini, L. (2026). [Why a weak Turkish ETS fails both the climate and Turkish exporters](#). Carbon Market Watch.

Taranto, Y. (2026). [The EU's Carbon Border Adjustment Mechanism: Considerations for Türkiye](#). International Network of Energy Transition Think Tanks (INETTT) and SHURA Energy Transition Center.

Tastan, K., and Yalçın, E. (2026). [The EU-Türkiye Interdependence Dilemma: It's time to rethink the trade relationship for the new geoeconomic era](#). The German Marshall Fund of the United States.

The Middle East Observer (2025). [Egypt Ends Gas Subsidies for Industry, Moves to Market-Based Pricing](#). MEO.

Timilsina, G., and Sebsibie, S. (2024). [Economic and Distributional Impacts of Selected Carbon Pricing Policies for the Arab Republic of Egypt](#). Policy Research Working Paper 10791. World Bank Group.

TradeInt (2025). [Turkey Trade with Europe – 2025: Import-Export Analysis](#). TradeInt.

Tübitak (2023). [Green Growth Technology Roadmap](#). Scientific and Technological Research Council of Türkiye.

Türkiye's Directorate for EU Affairs (2024). [Carbon Border Adjustment Mechanism \(CBAM\)](#).

Turkstat (2025). [Statistical presentation](#). Veriportali Data Portal.

UNIDO (2023). [Assessment of low carbon hydrogen production, demand, business models and value chain in Egypt](#). United Nations Industrial Development Organisation.

United Nations Framework Convention on Climate Change (2023). [Egypt's Second Updated Nationally Determined Contributions](#).

United Nations Framework Convention on Climate Change (2025). [Republic of Türkiye. The Second Nationally Determined Contribution \(NDC 3.0\)](#).

Vedie, H.L. (2026). [‘Phosphate and fertiliser industry in Morocco’](#), in El Aynaoui, K., and Oqubay, A. (eds.). The Oxford Handbook of the Moroccan Economy, Oxford Handbooks (Oxford, 2026, online edn, Oxford Academic, 3 Apr. 2026).

Vorontsov, I. (2025). [North African green steel will soon be in demand in the EU: an overview](#). GMK Center.

World Bank (2022). [Key Highlights: Country Climate and Development Report for Türkiye](#). World Bank Group.

World Bank (2025). [Morocco Economic Update: Prioritising reforms to boost the business environment](#). International Bank for Reconstruction and Development / World Bank Group.

World Bank (n.d.a). [Manufacturing value added](#) (% of GDP): Egypt, Morocco, Türkiye. World Bank Group Data.

World Bank (n.d.b). [Medium and high-tech manufacturing value added](#) (% manufacturing value added): Egypt, Morocco, Türkiye. World Bank Group Data.

World Integrated Trade Solution (2026a). [Iron and Steel exports by country in 2025](#). WITS.

World Integrated Trade Solution (2026b). [European Union Iron and steel imports by country in 2025](#). WITS.

World Integrated Trade Solution (2026c). [European Union Aluminium and articles thereof imports by country in 2023](#). WITS.

World Integrated Trade Solution (2026d). [Egypt, Arab Rep. Aluminium and articles thereof exports by country in 2023](#). WITS.

World Integrated Trade Solution (2026e). [Fertilisers exports by country in 2025](#). WITS.

World Integrated Trade Solution (2026f). [European Union Fertilisers imports by country in 2025](#). WITS.

World Integrated Trade Solution (2026g). [European Union Anhydrous ammonia imports by country in 2024](#). WITS.

World Integrated Trade Solution (2026h). [Anhydrous ammonia exports by country in 2024](#). WITS.

Zgheib, N. (2025). [EBRD supports Egypt with first private-to-private electricity contracts](#). EBRD.

About ECDPM

ECDPM is an independent ‘think and do tank’ working on international cooperation and development policy.

Since 1986 our staff members provide research and analysis, advice and practical support to policymakers and practitioners across Europe and Africa – to make policies work for sustainable and inclusive global development.

Our main areas of work include:

- EU foreign and development policy
- Migration and mobility
- Digital economy and governance
- AU-EU relations
- Peace, security and resilience
- Democratic governance
- Economic recovery and transformation
- Climate change and green transition
- African economic integration
- Sustainable food systems

For more information please visit www.ecdpm.org

This publication benefited from the structural support by ECDPM’s institutional partners: The Netherlands, Austria, Belgium, Denmark, Estonia, Finland, Ireland and Luxembourg.

ISSN1571-7577