

A Transition Without the Refining and Fuel manufacturing Industry? A Strategic Mistake

Brussels, 10 June 2026: *Europe is at a decisive crossroads: without urgent political action, it risks losing a strategic industrial backbone that underpins its energy security, economic resilience and global competitiveness. This is the straight-forward warning outlined in our newly released paper, “A Strategic Industrial Asset Europe Cannot Afford to Lose”, presented today at our high-level conference “Can Europe fuel its own future?”.*

The future of Europe’s energy transition will not be secured by ambition alone, but by political choices grounded in industrial reality. Our strategic paper “A Strategic Industrial Asset Europe Cannot Afford to Lose” stresses that the refining and fuel manufacturing industry remain essential to Europe’s economy and will continue to play a central role in sectors where electrification is not viable, including aviation, maritime and heavy-duty/long distance transport as well as essential feedstocks to industrial sectors, including petrochemicals, construction and agriculture.

But this strategic base is now under growing threat. High energy costs, rising carbon prices and an increasingly complex regulatory framework are eroding Europe’s competitiveness and putting existing industrial capacity at risk. Liana Gouta, FuelsEurope Director General, stated “Europe cannot afford to treat refining and fuel manufacturing as a legacy sector. This is a strategic industrial capability that underpins our energy security, our defence readiness and our economic resilience. Without a competitive industrial base, there will be no credible transition.”

Our strategic paper warns that Europe is not simply managing a transition. It is confronting a strategic dilemma: produce and transform at home, or depend on others. Failure to recognise the sector’s strategic importance would lead to greater reliance on imports, increased exposure to price volatility and the irreversible loss of industrial assets and jobs.

Once refineries close, they cannot be transformed or replaced, turning today’s policy choices into long-term structural vulnerabilities. Luis Cabra, FuelsEurope President, stresses the urgency of this choice: “Europe must decide whether it wants to remain producers of fuels and products for the industrial value chain, or become increasingly dependent on imports. Every refinery closure is irreversible. Without the right framework, we risk substituting strategic autonomy with long-term dependency.”

At the heart of the report is a clear policy message: the transition will only succeed if it builds on Europe’s existing industrial assets, not if it dismantles them.

Converting existing refineries into low-carbon production hubs is identified as the fastest, most cost-effective and most secure pathway to scale renewable and low-carbon fuels, while preserving industrial capacity and avoiding stranded assets. However, unlocking this transformation will require a decisive shift in policy

approach. Today, investment remains constrained by uncertainty, fragmented legislation and insufficient economic visibility for long-term projects.

Industry leaders warn that without a stable and predictable framework, capital will continue to flow to regions offering more favourable conditions, weakening Europe's industrial base and undermining its climate ambitions. Luis Cabra highlights *"The technologies exist, the industry is ready, and the investments can be made. What is missing is a coherent and predictable policy framework that gives confidence to investors. Europe needs to move from ambition to execution."*

Europe's energy transition can only succeed if it remains anchored in industrial strength, economic realism and strategic autonomy.

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FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents, within the EU institutions, the interest of 40 companies manufacturing and distributing conventional and renewable fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

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