UITP EUROPE

EU POSITION PAPER **25 JUNE| 2025**

UITP POSITION PAPER ON THE CLEAN INDUSTRIAL DEAL

On 26 February 2025, the European Commission published a Communication on *The Clean Industrial Deal: A Joint Roadmap for Competitiveness and Decarbonisation*, a cornerstone plan for Europe's sustainable prosperity and industrial strength.

As UITP, the International Association of Public Transport, we strongly support initiatives that promote sustainable mobility, enhance industrial competitiveness, and advance decarbonisation. Representing more than 500 public transport operators and authorities across all EU member states, UITP speaks for local and regional shared passenger transport services across all sustainable road, rail, and waterborne modes. UITP has long been recognised by the European Commission as a key interlocutor for the sector, actively contributing to EU-funded research and innovation projects that promote the priorities of public transport stakeholders.

EXECUTIVE SUMMARY

UITP welcomes the Clean Industrial Deal's focus on competitiveness and cleaner industries and see it as a strategic opportunity to scale up innovative and sustainable mobility solutions.

To successfully implement a new plan for Europe's sustainable prosperity and competitiveness, UITP urges policymakers to prioritise public transport within the framework of the Clean Industrial Deal, ensuring that investments strongly support resilient, sustainable and on-demand shared mobility solutions rather than disproportionately favouring the private automotive sector.

This position paper outlines the essential role of the public transport[1] sector in successfully implementing the Clean Industrial Deal and building a stronger, greener

[1] In this position paper, the term "Public transport" is not only referring to the so-called local "mass transit" systems made of scheduled medium and high-capacity bus, rail (and even waterborne) transport, but also seen as

European economy. To maximise the impact of the Clean Industrial Deal, UITP calls for:

- **Strategic recognition of public transport as a driver of competitiveness and climate neutrality**: Positioning local public and collective transport as one of the main pillars of the Clean Industrial Deal to deliver measurable economic, environmental, and societal benefits while reinforcing European sovereignty.
- **Affordable and sustainable energy access for transport operators**: Providing cost mitigation tools such as tax relief for the use of certified green energy, reduced system costs, simplified permitting, and incentives for local green energy production to support energy efficiency and reinvestment into clean mobility.
- **Reformed public procurement to boost demand for EU-made clean technologies**: Simplifying procurement rules, supporting sector-specific frameworks, and enabling innovation-friendly contracts to foster European industrial leadership in sustainable transport.
- **Targeted investment and regulatory support for public transport**: Unlocking the full potential of public and regional transport through directed regulatory and financial support to boost its role in decarbonisation, innovation, and social inclusion. To reduce car dependency and enhance industrial capabilities, it is essential to scale up support for zero-emission fleets, autonomous mobility, rail and bus manufacturing, as well as integrated multimodal transport systems.
- **Expanded funding scope for public and private investments**: Ensuring that the Industrial Decarbonisation Bank and Important Projects of Common European Interest (IPCEI) cover urban mobility needs.
- **Dedicated EU research and innovation support for urban mobility**: Establishing a standalone funding envelope for smart and sustainable urban transport to support smart technologies which are essential to increase capacity for both road and rail.
- **Inclusion of land transport in the Sustainable Transport Investment Plan (STIP)**: Creating a dedicated funding mechanism for urban mobility under STIP, with priority actions including electric/hydrogen infrastructure, infrastructure resilience, circular economy practices, and predictive maintenance. The STIP should also contribute to the decarbonisation of diesel trains on non-electrified railway lines and bus fleets.

coordinated systems integrated according to their capacities and functional advantages under a common holistic urban transport perspective and integrated fare policy. New mobility services (like car-sharing, bike-sharing and car-pooling and any form of DRT – Demand Responsive Transport) are also part of "public transport", seen as complementary services (together with "private" "active modes", walking and private bikes). This approach of public transport allows that all the needs of any category of customers within the functional urban area find a solution to get access to all urban activities.

GENERAL REMARKS ON THE CLEAN INDUSTRIAL DEAL

THE STRATEGIC ROLE OF PUBLIC TRANSPORT

Local and regional public transport is uniquely positioned to drive Europe's transition toward climate neutrality and global competitiveness. By shifting from private cars to sustainable transport modes like buses, trains, metro and trams powered by low-carbon and renewable energy or any sustainable on-demand shared mobility solutions, public transport significantly reduces greenhouse gas emissions (GHG), air pollution, and congestion. **Investing in public transport aligns with reports from policymakers like Draghi and Letta, who highlight the sector's role in fostering innovation, creating quality jobs, exporting its expertise and supporting sustainable economic growth**.

In the framework of the Clean Industrial Deal, investing in public transport must be recognised as a strategic priority, **offering significant and far-reaching economic and competitiveness benefits, and as a lever for European sovereignty**. By recognising and leveraging the economic multiplier effect of public transport, policymakers can simultaneously address climate objectives and drive economic growth delivering benefits which are easily measurable by European citizens and businesses in their daily lives.

PUBLIC TRANSPORT'S ECONOMIC AND ENVIRONMENTAL IMPACT

Local and regional public transport is an essential pillar of sustainable mobility in cities and regions. It helps reduce dependence on private cars, lower CO_2 emissions, and improve air quality. Strengthening the public transport system, both economically and through supportive regulation, is vital to enabling transport companies to become drivers of energy and digital innovation, as well as engines of socio-economic development.

Public transport offers substantial economic, environmental, and social benefits:

- **Economic growth**: By connecting people to jobs, education, and services, public transport supports industries such as manufacturing, construction, and IT services, while positioning Europe as a leader in sustainable urban mobility[2].
- **Decarbonisation**: Modal shift to public transport significantly reduces greenhouse gas emissions, contributing to the EU's climate targets for 2030, 2040, and 2050[3].

[2] A 550% return on investment: not only did public contributions enabled Transports Metropolitans de Barcelona (TMB) to carry more than 625 million passengers every year on Barcelona's public transport network, every euro invested also generated 6.5 euros in return (source: Economic, social and environmental impact study – TMB's case).

The extension of a single metro line in London is expected to create more than 10,000 jobs and provide a £1.5 billion annual boost to the national economy (source: Moving London Forward)

[3] Public transport replaces around 18 million car journeys on German roads every day, allowing to save a total of 10 million tons of greenhouse gas emissions in Germany alone (source: VDV Daten & Fakten).

- **Industrial value chain**: The sector relies on a broad value chain - from manufacturers and suppliers of rolling stock (trains, buses, trams, metros) to infrastructure and maintenance services, creating a multiplier effect across the economy[4].
- **Job creation**: Public transport supports 1,3 million direct jobs and 2 million more across the EU in sectors like manufacturing, infrastructure, and technology. It offers a wide range of secure, local roles that promote green skills essential for Europe's sustainable transition. For every direct job, four additional jobs are created in other sectors.
- **Social equity and inclusion**: Public transport ensures affordable and accessible mobility for all, especially underserved communities. It plays a vital role in reducing car dependency, enhancing social cohesion[5], and enabling workforce participation across socioeconomic backgrounds by connecting people to education, employment, and services.
- **Safety and public health**: Public transport is sustainable, equitable, and the safest mode of travel in cities and regions. Europe sees over 120,000 serious injuries and 20,000 fatalities annually from road accidents, with 47% occurring in cars/taxis, 17% on motorcycles/mopeds, and 8% on bicycles - while buses and coaches account for nearly 0%. Promoting public transport supports road safety and the EU's "Vision Zero" goal to eliminate traffic fatalities and serious injuries[6].

PUBLIC TRANSPORT DRIVES INNOVATION AND COMPETITIVENESS

The EU's local and regional public transport sector includes globally recognised operators and industry leaders with strong operational, technological, and business expertise, exported worldwide through consultancy, engineering, and service operations. Increased investment in infrastructure and technology is key to shifting from private cars and enhancing Europe's global competitiveness.

The public transport sector drives innovation through zero-emission fleets, low carbon- and renewable-powered trains, autonomous systems, and advanced digital tech. The bus industry offers sustainable, competitive solutions, while metro and tram systems

[4] To enable more than one million passengers to move around Brussels every day, STIB employs more than 10,000 people, making it one of the most important employers in the Belgian capital. Driving, maintenance, cleaning, repairing, welding, painting, recruiting, drawing, training, writing, providing information, security or information and much more: these are the many tasks performed by STIB employees in over 300 different professions (source: STIB).

[5] On-demand public transport services such as Flextrafik in Denmark or Sprinti service in the Hannover Region offer well-integrated last and first mile mobility solutions for a wide range of individuals (sources: Flextrafik & Sprinti)

The affordability and accessibility of public transport, as demonstrated by policies such as the €365-ticket in Vienna, enables individuals residing in both urban and rural areas to commute at a significantly reduced cost, and guarantees the freedom of movement for people with reduced mobility (source: Wiener Lienen - Annual Pass)

The cost of owning a car is 16 times higher than using public transport (source: UITP).

[6] Better Urban Mobility Playbook published by UITP in 2021 (source: UITP).

lead in global innovation and efficiency. Ongoing investment will boost industrial strength, safeguard jobs, and expand clean technology exports. **Given its strategic importance, the public transport sector must be central to Clean Industrial Deal policy measures.**

Multimodality is vital for sustainable, efficient European mobility. By integrating buses, trains, trams, bikes, and micromobility into seamless, user-friendly networks, multimodality improves access, reduces travel time, and cuts car dependency. UITP supports multimodal systems with digital trip planning, integrated payment, and equitable access, making public transport the backbone of sustainable urban mobility.

PROPOSED ACTIONS ON THE CLEAN INDUSTRIAL DEAL

ACCESS TO AFFORDABLE ENERGY

The Clean Industrial Deal should prioritise large-scale investments in energy efficiency within land transport infrastructure, especially public transport systems, which are among the largest and most sustainable energy consumers, particularly in large cities. These systems require robust, targeted measures to improve efficiency, reduce operational costs, and support the transition to cleaner technologies.

Key action areas include:

- **Investment in energy-efficient infrastructure, mobility solutions and technologies**, including networks, charging systems, rolling stock, and local

green energy production (e.g., photovoltaics), to enhance cost savings and sector competitiveness.
- **Promotion of innovative, energy-saving technologies** at the European level, improving the transport sector's resilience to energy challenges and reducing dependence on fossil fuels.

To support these goals, **UITP strongly advocates for tailored energy cost mitigation tools for public transport operators**, such as:

- Reducing "system costs" on electricity bills, like those granted to manufacturing sectors.
- Incentives for building renewable energy systems for self-consumption.
- Simplified permitting for renewable infrastructure.
- Access to national energy relief initiatives (e.g. Italian ministerial decree on Energy Release).
- *Ad-hoc* supply rates for EV charging points.
- Tax relief for the use of certified green energy.
- Compensation mechanisms for Power Purchase Agreements (PPAs) that support new green energy production.

These tools would enable operators to reinvest savings into clean transport infrastructure and services, reinforcing the long-term sustainability and competitiveness of Europe's public transport networks. Additionally, **UITP supports the European Commission's call for Member States to conclude negotiations on the Energy Taxation Directive and its commitment to present a Recommendation on energy taxation in Q4 2025**. The Directive is seen as a key policy tool to promote more environmentally sustainable energy products and transport options while lowering energy costs for public transport operators.

Furthermore, in the event of energy shortages, it is crucial that policymakers recognise public transport companies as priority consumers. Public transport offers an energy-efficient mobility backbone for cities and regions, serving essential societal functions and reducing overall energy demand by shifting trips away from private cars. Operators are already committed to decreasing energy consumption through efficiency improvements and the use of renewable energy sources, without reducing transport services**. Ensuring uninterrupted energy supply will protect the resilience of urban mobility systems and support climate and social policy objectives.**

LEAD MARKETS - BOOSTING DEMAND FOR LOW-CARBON PRODUCTS

UITP emphasises the strategic importance of public procurement in fostering clean industrial growth and ensuring European sovereignty in transport technologies. In light of the upcoming revision of public procurement directives, UITP suggests:

- **Maintaining sector-specific rules for contracting entities.**
- **Simplifying complex and inconsistently interpreted regulations to enhance purchasing efficiency across Member States.**

- **Developing tools to strengthen European autonomy in strategic sectors while maintaining balanced trade policies.**
- **Introducing flexible approaches to innovation and intellectual property rules.**
- **Ensuring transparency while protecting business confidentiality.**

A well-structured procurement framework will boost demand for EU-made clean transport solutions, foster resilient supply chains, and strengthen Europe's leadership in green transport technologies. This coherent, well-funded strategy within the Clean Industrial Deal will empower public transport operators to lead the decarbonisation transition while supporting Europe's industrial and environmental goals. Furthermore, UITP advocates for a harmonised regulatory approach across EU climate and transport policies to:

- **Align emission targets and sector-specific regulations** to avoid contradictions, simplify implementation, and reduce legal uncertainty.
- **Recognise biofuels alongside zero-emission technologies as viable solutions for land transport**, supporting regions where biofuels contribute to fossil-free public transport.
- **Maintain balanced trade policies that secure European supply chains while allowing transport operators flexibility** in vehicle and component procurement to avoid excessive costs.
- **Expand funding for bus renewal programs supporting diverse clean technologies**, including biogas and next-generation fuels, to ensure a flexible and financially sustainable transition and lifetime extension.

PUBLIC AND PRIVATE INVESTMENTS

UITP supports the Green Deal's decarbonisation objectives and calls for enhanced investment policies that extend public funding for bus renewal to include innovative fuels.

This approach ensures the achievement of decarbonisation targets in a way that is innovative, technologically neutral, gradual, and financially sustainable for public transport companies. **While welcoming the Industrial Decarbonisation Bank as a key tool to accelerate green investments under the Clean Industrial Deal**, **UITP urges policymakers to broaden its focus beyond aviation and maritime fuels to fully integrate urban and regional mobility**. Electrification and energy efficiency remain central to transport decarbonisation, but support for sustainable fuels, bus fleet renewal, charging infrastructure, and urban and regional rail expansion is crucial to keep public transport at the heart of Europe's green transition[7].

[7] Special attention should be given to the specific role of urban rail in major cities, which represents a huge investment – very high in case of metro lines - influencing the shape of a city enduringly. Urban rail requires high quality economic and engineering studies and difficult funding decisions – with the support of funding instruments at local, national and European levels -, together with a long-lasting commitment and coordination of competent

UITP endorses initiatives that enhance European competitiveness, such as Important Projects of Common European Interest (IPCEI), and supports the upcoming Clean, Connected and Autonomous Vehicles (CCAV) program under IPCEI, which will facilitate the deployment of autonomous public transport systems ranging from shuttles to buses.

Urban areas are booming, with growing mobility demands that require innovative transport solutions. Urban nodes have been included in the updated TEN-T network, which requires investments of up to €845 billion over the next 15 years (core and extended core). The Connecting Europe Facility, responsible for completing TEN-T, should remain a dedicated budget line in the next Multiannual Financial Framework (MFF) managed at the EU level, reflecting the additional funding needs for public transport in urban nodes. Consequently, UITP calls for increased investments in Research and Innovation targeting urban and regional transport. Given that urban networks are saturated, smart technologies are essential to increase capacity for both road and rail.

UITP urges policymakers to maintain a strong, independent Framework Programme for Research and Innovation within the MFF, with a dedicated budget envelope for mobility in any successor to Horizon Europe.

IMPLEMENTING THE CLEAN INDUSTRIAL DEAL ACROSS SECTORS

The Clean Industrial Deal must extend its focus beyond maritime and aviation to include land transport. A Sustainable Transport Investment Plan (STIP) including public transport is essential to support low-carbon infrastructure and sustainable mobility solutions. **UITP calls for a dedicated funding mechanism within STIP to support urban and regional mobility, ensuring a balanced and future-proof decarbonisation strategy for all transport modes.**

Priority actions within the context of the STIP should include:

- **Expanding the Alternative Fuels Infrastructure Facility (AFIF)** to maintain financial support for electric and hydrogen bus and rail infrastructure and rolling stock, in line with the Clean Vehicles Directive and CO_2 emission standards for heavy-duty vehicles.
- **Enhancing infrastructure resilience and modernising public transport systems** through investments in vehicle and infrastructure maintenance, improved user experience, intermodality, system quality, and crisis resilience.
- **Promoting a circular economy across sectors by encouraging reuse, recycling, and waste reduction**, for instance, repurposing subway-collected mine water for urban uses and capturing heat generated by metro systems to heat nearby buildings.

political decision-makers for transport and land use. Urban rail benefits are medium- and long-term ones not so easy to highlight beforehand, except through a comparison with the successful examples of "rail as a backbone of sustainable mobility" in more and more cities across the world.

- **Integrating AI-driven predictive maintenance projects** to reduce service disruptions, optimise maintenance costs, and improve network efficiency and reliability.

CONCLUSION

Public transport is a cornerstone of Europe's sustainable mobility strategy, contributing to reduced emissions, enhanced urban air quality, and industrial competitiveness. UITP calls on the European Commission to fully integrate public transport into the upcoming legislation of the Clean Industrial Deal, ensuring that land transport benefits from robust regulatory support and targeted investment. **By prioritising local public transport within the Clean Industrial Deal, the EU can accelerate its transition to a greener, more resilient, and competitive mobility ecosystem delivering tangible benefits to the daily lives of European citizens!**

UITP remains committed to working closely with the European Commission and all actors involved to drive the successful implementation of this vision in the months to come.

This is an official policy paper prepared by UITP EU Committee. UITP is the international association representing public transport stakeholders. In the European Union, UITP brings together more than 500 urban, suburban and regional public transport operators and authorities from all Member States. We represent the perspective of short distance passenger transport services by all sustainable modes: bus, regional and suburban rail, metro, light rail, tram and waterborne. Visit our website: uitp.eu

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