

Impact of tariffs on renewable technologies



Client

Kaya Partners & Children's Investment Fund Foundation (CIFF)

The task:

The EU faces the challenge of reconciling three interconnected yet often conflicting priorities: **economic competitiveness, supply chain security, and open trade to ensure an affordable energy transition.** To explore these trade-offs, we modelled outcomes under a range of carefully constructed trade and industrial policy scenarios.

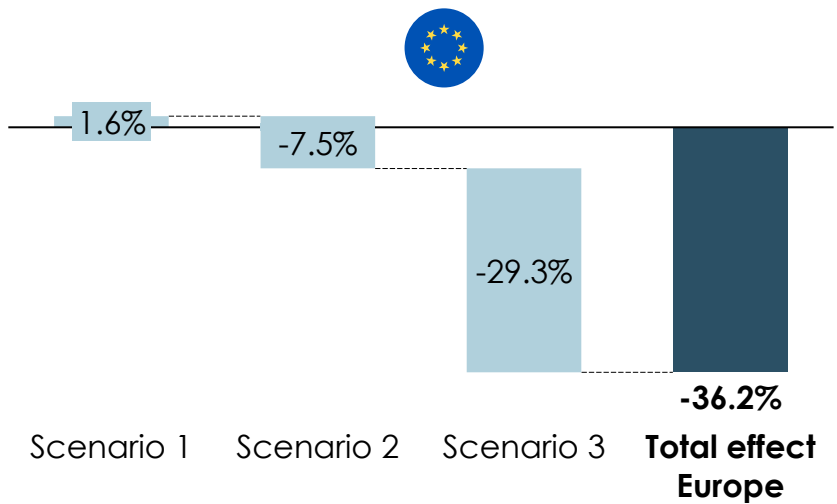
We focused on four key clean technologies central to the energy transition: solar PV, wind power, batteries, and electric vehicles. By deconstructing their supply chains, we **assessed how trade barriers could influence the long-term viability of clean energy industries in the EU, the creation of green jobs, and the competitiveness of domestic manufacturing.**

Our analysis also considered broader effects, on power generation, transport and industrial decarbonisation, household consumption, and investment.

Why INTERSECT:

Intersect allows us to consider different scenarios to **analyse the global effect of trade frictions.** Here, we consider three different scenarios using INTERSECT and can compare a i) business-as-usual, ii) global trade frictions with the imposition of tariffs and trade barriers, and iii) a renewable tech-specific shock scenario on a European scale as well as outside Europe.

Illustrative example
Additional change in European investments in wind in 2030
% additional effect



Additional change in GDP outside Europe in 2030
% additional effect

