



MBB
MALTA BUSINESS BUREAU

POLICY BRIEF
NOVEMBER 2025

European Global Climate and Energy Vision

mbb.org.mt

Context

Last month, the European Commission has presented a Communication on the EU's global climate and energy vision to boost Europe's global competitiveness and accelerate the everchanging clean energy transition, echoing the Clean Industrial Deal launched in February 2025. In a complex and unstable geopolitical context, significant upscaling of clean technologies is needed - especially in developing countries - through research and development (R&D), financing and strong trade partnerships.

For Malta, an island nation currently dependent on energy imports, such a transition can provide increased energy security and reliability, with added energy independence despite the island's insularity. This will benefit other areas such as circularity and security. Key measures are summarised below:

An Ongoing Transition

The transition to cleaner energy is currently ongoing, as technology costs continue falling and an emission decoupling takes place. While some fossil fuels remain in use, nations reliant on these will significantly benefit from adopting cleaner and more resilient energy sources as stability and predictability become secured.

In fact, African and Latin American countries are adapting to this transition, as clean energy spreads globally. Untapped potential is being discovered, as African imports of solar panels surged by 60% between June 2024 and 2025 and 60% of electricity in Latin America and the Caribbean came from clean sources in 2024.

Despite this surge in clean energy in developing countries, China maintains its leadership position while also remaining a significant emitter of greenhouse gases. This highlights the need for Europe to advance its investment in clean technologies and research, in order to become more competitive globally, leaving no Member State behind. Member States can collaborate to boost the development of pilot projects and find solutions to the unique challenges. For instance, Member States can collaborate with neighbours to harness renewable energy's potential solar and wind power, in line with the Affordable Energy Action Plan.

The Need for Investment

The EU has set a 15% target for global clean energy production in the Net Zero Industry Act. To achieve this, Member States provided EUR 8.5 billion in funding for the Energy Union, to accelerate the European energy transition and increase the continent's competitiveness.

This especially comes in response to China's ever-growing clean technology, with one example being its pioneering electric vehicle (EV) market, as the country supplied 70% of global EVs. Consequently, it is in the EU's interest to increase its decarbonisation efforts, to 2 ensure predictable and resilient energy, also reflected in the Clean Industrial Deal's aims and achieving 2030 and 2050 climate targets. The Carbon Border Adjustment Mechanism (CBAM), which helps mitigate carbon leakage, is also highlighted for its potential to act as a financial incentive and signal to EU markets to adopt more sustainable products. At the same time, it may lead to cost increases for construction products which are sourced from third countries.

Decarbonisation is tackled in various ways. On one hand, through the Emissions Trading Scheme (ETS) which allows industries to trade emissions through market-based measures. This will inevitably impact Maltese operations, which are reliant on maritime and aviation due to the island's insularity. It is important for remote Member States to raise such concerns to avoid disproportionate consequences, especially when alternatives are not feasible. On the other hand, digitalisation - through Artificial Intelligence (AI) and blockchain - will help simplify operations.

When applied appropriately to individual Member States, these two solutions can work in tandem and advance the emerging Circular Economy Act, which ensures resources remain in use with limited waste. Malta can strategically benefit from its smaller scale as stakeholders can be mobilised easily and projects upscaled rapidly, as seen with the Beverage Containers Recycling Scheme (BCRS). However, Malta faces waste management challenges due to limited space for recycling and recovery activities, and concern of economic feasibility, coupled with the needed improvements in infrastructure, technology and sustainable consumer behaviour.

Public and private investment will help streamline this process, especially through the Global Gateway Strategy which supports the development of EU-funded projects globally. Malta, and other small island states, can actively participate through coalition building, allowing for better connectivity between nations and a successful achievement of the climate, peace and security nexus. This is especially important considering Malta's dependence on imported energy sources, which in the long-term requires more predictable and sustainable solutions.

Stronger Global Ties

A stronger focus on bilateral partnerships to drive a just, circular and fair global transition is necessary. Trade agreements can allow for smoother transitions, which increase the spreading of clean technologies worldwide. Furthermore, investing in EU-funded projects will improve external and internal coherence of EU policies, accelerating emissions reductions.

Coordination with the G7 and G20 will allow for both developed and developing countries to contribute to the energy transition and move away from fossil fuels, through climate-finance mobilisation and reduced sustainability-related risks. This will ensure the transition remains just and feasible across the globe. Consequently, countries such as Malta can benefit, despite geographical constraints. This is reflected in the Pact for the Mediterranean, which ensures deeper integration of Mediterranean countries, with more projects emerging in this area. It is important to note that the Mediterranean region remains diverse and that tailored solutions are necessary to ensure that local biodiversity is not negatively impacted.

Finally, increased coherence and consistency through raised public awareness and fact-based information, will also allow for the mitigation of manipulation attempts, as foreign information manipulation and interference (FIMI) become exposed and disrupted. Member States must invest in appropriate campaigns to ensure accurate claims and science-based claims, to protect and guide consumers.

Way Forward and Key Actions

The European Commission's Joint Communication on the clean energy transition presents an ambitious pathway to reduce global emissions and make clean energy the new norm. Malta, as an EU Member State, can enhance its capabilities through closer collaboration with small nations and by leveraging its existing potential in a more strategic manner in order to address current challenges such as high transport costs and population growth. To accelerate this transition and ensure the achievement of climate goals in time, the key actions to take are as follows:

1. Maintain political momentum;
2. Support EU clean tech businesses in boosting international opportunities, especially through Global Gateway;
3. Expand partnership networks for more resilient value chains;
4. Enhance policy and regulatory cooperation
5. Mobilise global financial institutions for coherence;
6. Enable investment in adaptation and resilience for higher standards globally. The Joint

The full Joint Communication may be accessed [here](#).

Disclaimer: This is a policy brief to create awareness about the legislative proposal and for information purposes. It is not an official position of the Malta Business Bureau.

For questions or more detailed information please contact Head of Projects & Sustainability Gabriel Cassar on gcassar@mbb.org.mt or Policy Adviser Juliette Mizzi on jmizzi@mbb.org.mt

The Malta business bureau is the EU advisory organisation of;



and a partner of the Enterprise Europe Network;

