



FOR AN AMBITIOUS EU INDUSTRIAL STRATEGY

GOING FURTHER



#INDUSTRY4EUROPE

Joint Paper in reaction
to the Communication
of the European Commission on
*“Investing in a smart, innovative
and sustainable Industry :
A renewed EU Industrial Policy Strategy”*

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Europe is the cradle of the manufacturing industry and has been at the forefront of industrial revolutions and technological innovations. This industry directly employs over 34 million people across all Member States, in supply chains comprising hundreds of thousands of SMEs and larger suppliers. It also indirectly accounts for millions of additional jobs in related sectors.

The European manufacturing industry has tremendous capacity for research and innovation, boasts a skilled workforce and has earned a global reputation for quality and sustainability. What it now needs is the swift and determined support of the European institutions and the Member States to create more jobs and growth in Europe.

At the beginning of his mandate, European Commission President Jean-Claude Juncker identified the reindustrialisation of Europe as one of his top priorities and confirmed the objective of increasing the share of industry in the European GDP to 20% by 2020. As we approach the preparation of the next Multiannual Financial Framework, it is vital for the European institutions to act and help the EU remain a competitive global industrial power playing in a fairer world market.

Therefore, in February 2017, an impressive number of European industrial sectors adopted for the first time a Joint Declaration in which they called on the European Commission to adopt a long-term Action Plan to tackle the challenges that the industrial sectors are facing.

Member States and the European Parliament also clearly stated their full support for a strong European industrial strategy via the Competitiveness Council *Conclusions on a future EU industrial policy strategy* (29 May 2017), the Berlin Joint Declaration of the Friends of Industry (30 June 2017) and the Parliament *Resolution on building an ambitious EU industrial strategy* (5 July 2017).

As a consequence, we welcome the strong message of European Commission President Jean-Claude Juncker in his annual State of the Union address last 13 September as he stated: “I want to make our industry stronger and more competitive” and “help our industries stay or become the world leader in innovation, digitisation and decarbonisation”.

The Communication on “Investing in a smart, innovative and sustainable Industry – A renewed EU Industrial Policy Strategy”, published by the European Commission on that same day, is a first important step – which we welcome – as it puts industry back to a high position on the political agenda and provides a comprehensive overview of current and upcoming Commission’s initiatives and measures related to industrial competitiveness.

In the aftermath of this Communication, the Signatories of this Joint Paper – representing a wide range of industrial sectors – have come together to analyse the document and react by identifying key objectives and/or missing measures that should be at the heart of any ambitious EU industrial strategy, taking the Communication as a starting point

More than ever, we are ready to step up our cooperation with the European institutions to discuss and implement a long-term European industrial strategy that will help safeguard the world leadership of European manufacturers and jobs in Europe.



FOCUS ON

Business-Friendly Environment and Governance

We, the undersigned Industry Associations:

- recall that industry is the backbone of a sustainable economy providing goods we use in everyday life. A sustainable competitive industry is the foundation for smart, innovative growth in Europe providing jobs and welfare for EU citizens. An impactful EU industrial strategy should aim at creating dedicated support for entrepreneurship including start-ups and SMEs; and re-establishing the positive link between industry and society through which the benefits of a sustainable economy can be spread to all.
- highlight that the EU industry requires a global and EU competitive level-playing field and a stable integrated, predictable and proportionate legislation. A coherent medium to long-term industrial strategy is vital for ensuring policies on sustainable access to resources and energy at a competitive price. Specifically, balanced climate, energy and raw materials policies, informed by European industrial needs and objectives, are essential for competitiveness, sustainable growth and employment, supporting innovation and investment by modern and traditional industries. A strong vision of how this can be achieved is essential to foster new European investments in industrial jobs.

In relation to the Commission Communication and its future implementation, we:

- acknowledge that the better regulation agenda to reduce red tape and improve effectiveness has been a step in the right direction. Nevertheless, the implementation of existing legislation for business certainty and attracting EU and foreign investment and the link between better regulation and harmonised standards should be reinforced.
- support displaying and monitoring the GDP share of the utility and the mining and quarrying sectors; call to link their enabling role for other sectors and recall to measure progress of the re-industrialisation agenda against the 20% of GDP share of the manufacturing industry by 2020;

- consider that the systematic use of policy impact assessments prior to the adoption of proposals is a positive development, but needs to be more transparent, objective and credible;
- emphasise the need to implement an ambitious industrial strategy including policies and initiatives addressing the challenges and gaps identified by the Communication and in this Joint Paper;
- call on the European Commission to include in its next Working Programmes industrial policy objectives supported by an action plan with concrete measures to ensure a balanced implementation of climate, energy and raw materials policies;
- acknowledge the opportunity – foreseen by the Communication – for the business community to engage in an open and inclusive forum to cooperate and monitor progress in implementing an industrial strategy and its respective policies;
- call on the European Commission – in line with the Competitiveness Council Conclusions of 29 May 2017 – to develop and implement concrete measures in close consultation with Member States and industrial stakeholders;
- note the new role of the annual EU Industry Day but emphasise the need to establish a permanent dialogue not only through the High-Level Industrial Roundtable – knowing that the question of governance will be instrumental for the implementation of the strategy.

FOCUS ON

Skills and Training

In order to follow-up the Commission Communication and in order to achieve the European Commission's goal of industry's contribution of 20% to EU GDP by 2020, it will be necessary to ensure that industry has the required pool of skills. This is a crucial pre-condition for enabling European industry growth in the medium to long run. However, there are a number of structural social challenges facing Europe's societies, e.g. demographic change, as well as digitisation and other technological developments. These must be addressed in implementing the new Skills Agenda for Europe and setting the priorities in the industrial strategy.

Even though, in the area of skills and training, the Communication is, for the most part, a valuable stocktaking and cataloguing exercise, we would still like to request further action from the Commission so as to:

- Help **Member States to learn from each other through bench-learning** with regard to national skills policies;
- Take into account in its **future skills anticipation blueprints** all interested sectors with skills shortages and ensure national implementation;
- Support **Erasmus +**;
- Inform about the on-going change of professional profiles and the demands for new skills in the industrial sectors as a result of digitisation;
- Put emphasis on science, technology, engineering and mathematics (**STEM**) skills in future initiatives in this area as this was lacking in the recently released New Skills Agenda for Europe;
- Facilitate the **adaptation of the workforce** to new business models and working conditions through a support for active social dialogue, at the appropriate level. Many manual tasks are now automated, also allowing for improvements in occupational health and safety. Man-machine interaction or coboting is increasingly becoming standard practice.
- **Support life-long learning tools**, as up-skilling, programming and coding skills will be

increasingly in high demand in many industrial jobs. Furthermore, we must encourage a change of mindset when it comes to lifelong learning.

- **Support all capacity building exercises** such as the European Institute of Innovation & Technology (EIT), social dialogue and Corporate Social Responsibility (CSR) projects where appropriate as tools to achieve the above goals.

We also call on Member States to:

- **Design skills policies** achieving a better use of available resources through clustering and creating more synergies to improve learning outcomes, thereby contributing to labour productivity growth;
- **Increase the adaptation speed** at which education and training curricula are taking on board changing skills demands on the labour market, including in vocational education and training. The strong presence of technical and practical skills in educational programmes will need to be adapted in order to accommodate contents to the new digital era.
- **Develop adaptable curricula for a number of new jobs** and tasks in industry that are not known presently. New industrial developments are demanding new technical skills; more engineers will be needed, in particular in fields like automation, robotics, cyber security, and software and hardware integration. To achieve this, the following should be taken into consideration:
 - Ensure the presence of digitisation across all parts of professional life, across the general and vocational education curricula in the EU languages, to be made available for national authorities since digitisation is important and will be the key “enabler” for “consumers” as well as “users”;
 - Teach teachers and trainers and provide them with the necessary equipment through cooperation with public and private actors;
 - Foster interaction between public and private actors in educational centres and industrial sectors as a solution which has the potential to improve the match between companies’ skills needs and the outputs of education and training;
 - In order to facilitate the uptake of new skills and to upgrade technical education it is recommended to make internships and apprenticeships more attractive to companies;
- **Promote professionals capable of systemic thinking and entrepreneurial mind-set** by integrating technical, analytical and soft skills training in the current education and training systems.

