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# **REPORT**

on an Industrial Policy for the Globalised Era (2010/2095(INI))

Committee on Industry, Research and Energy

Rapporteur: Bernd Lange

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#### MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

# on an Industrial Policy for the Globalised Era (2010/2095(INI))

The European Parliament,

- having regard to Article 173 of Title XVII of the Treaty on the Functioning of the European Union (ex Article 157 of the Treaty establishing the European Community), covering EU industrial policy and referring to, among other things, the competitiveness of the Union's industry,
- having regard to the Commission Communication of 28 October 2010 entitled 'An Integrated Industrial Policy for the Globalised Era Putting Competitiveness and Sustainability at Centre Stage' (COM(2010)0614),
- having regard to its resolution of 16 June 2010 on EU 2020<sup>1</sup>,
- having regard to its resolution of 15 June 2010 on Community innovation policy in a changing world <sup>2</sup>,
- having regard to the Commission Communication of 23 September 2009, 'Preparing for our future: Developing a common strategy for key enabling technologies in the EU' (COM(2009)0512 final),
- having regard to its resolution of 22 May 2008 on the mid-term review of industrial policy: a contribution to the EU's Growth and Jobs Strategy<sup>3</sup>,
- having regard to the informal Competitiveness Council of 14 and 15 July 2010,
- having regard to the conclusions of the 2999<sup>th</sup> meeting of the Competitiveness Council of 1 and 2 March 2010,
- having regard to the Commission communication of 4 November 2008 entitled 'The raw materials initiative - meeting our critical needs for growth and jobs in Europe' (COM(2008)0699),
- having regard to the Commission Communication of 3 March 2010 entitled 'Europe 2020 A Strategy for Smart, Sustainable and Inclusive Growth' (COM(2010)2020),
- having regard to the Commission Communication of 6 October 2010 entitled 'Europe 2020 Flagship Initiative: Innovation Union' (COM(2010)0546),
- having regard to the Commission Paper of 26 April 2010 from DG Enterprise and
   Industry entitled 'EU Manufacturing Industry: What are the Challenges and

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<sup>&</sup>lt;sup>1</sup> Texts adopted, P7\_TA-PROV(2010)0223.

<sup>&</sup>lt;sup>2</sup> Texts adopted, P7 TA-PROV(2010)0209.

<sup>&</sup>lt;sup>3</sup> OJ C 279E, 19.11.2009, p. 65.

- Opportunities for the Coming Years?'1,
- having regard to the Commission Working Document entitled 'Report on the Implementation of the Small Business Act' (COM(2009)0680),
- having regard to the Commission Communication of 16 July 2008 entitled 'Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan' (COM(2008)0397),
- having regard to the report entitled 'Promoting innovative Business Models with Environmental Benefits' of November 2008 conducted on behalf of the Commission,
- having regard to the Commission Communication of 4 July 2007 entitled 'Mid-term review of industrial policy A contribution to the EU's Growth and Jobs Strategy'(COM(2007)0374),
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on International Trade, the Committee on Employment and Social Affairs, the Committee on the Internal Market and Consumer Protection and the Committee on Regional Development (A7-0022/2011),
- A. whereas the global economic crisis has affected European industry, making it more difficult for it to adapt in the face of the challenges of globalisation, climate change, resources depletion, demographic change and change to industry based on knowledge and efficiency that are profoundly affecting industrial development, the employment market and prospects for the future,
- B. whereas, to be able to overcome the effect of the crisis and face those challenges, the EU needs an industry policy approach that combines competitiveness, sustainability and decent work that can at the same time stimulate the economy, boost employment, reduce environmental degradation and improve quality of life,
- C. whereas industrial policy in Europe can only succeed if it is firmly rooted both in a new financial sector architecture that promotes investment and prevents speculation, and also in a macroeconomic policy that steers fiscal, economic and budgetary policies in the EU towards sustainable growth and employment,
- D. whereas certain European industries are in permanent crisis as a result of unfair competition from third countries, particularly in the areas of labour relations, the environment and intellectual and industrial property protection,
- E. whereas European industry is facing increasing global competition from industrialised countries and from emerging countries such as China, India and Brazil in terms of access to resources, technological innovation and a skilled workforce as well as targeted and ambitious industry and innovation policies,

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<sup>&</sup>lt;sup>1</sup> http://ec.europa.eu/enterprise/newsroom/cf/document.cfm?action=display&doc\_id=5784&userservice\_id=1

- F. whereas an EU strategy to promote:
  - strong and skilled human resources with a strong creative potential and active involvement in innovation and development,
  - new and innovative technologies/processes/solutions which generate added value,
  - R&D geared to the needs of sustainable development,
  - an efficient supply chain for the production of high-quality goods and services,
  - more efficiently organised production and management systems,
  - overall greater resources efficiency that leads to reduced carbon footprint,
  - cost-efficient and sustainable modes of transport,
  - smart and efficient logistics and high-quality infrastructure,
  - a consolidated and fully operational single internal market
  - a level playing field in trade relations with third countries

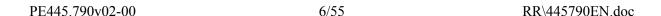
is the only means of increasing the sustainability and competitiveness of European industry and thus maintaining its global leadership,

- G. whereas European industry's global leadership is increasingly being challenged by the expanding industrial base in emerging countries, and the major competitors such as the USA, Japan and China are pursuing a strong and active industrial policy supported by broad investment in leading edge products and services, and for this reason it is extremely important to maintain and develop the competitiveness of European industry, to maintain its role as a driver of sustainable growth and employment in Europe,
- H. whereas it is possible to support industrial progress through a combination of the appropriate framework conditions, smart, forward-looking and targeted regulation and market stimulation, based on accurate expectations for market developments and supporting the global trends towards clean, sustainable and innovative forms of production, distribution, and consumption,
- I. whereas a general policy of support for investment in industry and services should be the EU's macro-economic priority, particularly at a time of crisis, such as now, when investment (in particular in capacity as opposed to productivity) is the first type of expenditure to be cut; whereas the Member States, the EU and regional and local authorities should set themselves public investment targets (i.e. what proportion of total public spending should be taken up by investment), including in austerity plans,
- J. whereas an ambitious EU industrial policy must be based on a strong internal market, both within EU borders and in its external dimension; whereas, in this connection, all industrial policy instruments (such as R&D policy, regional policy, competition policy,

- regulatory convergence and trade policy) must be brought to bear in addressing the opportunities and challenges of globalisation,
- K. whereas de-industrialisation is an established fact in Europe that puts our technological and economic position at risk, given increasing globalisation and intense competition from rapidly developing countries,
- L. whereas the red tape faced by businesses needs to be drastically reduced and their legislative and regulatory environment needs to be simplified in line with better lawmaking principles,
- M. whereas world-wide demand for raw materials and resources has been increasing steadily, leading to worries over possible disruptions of supply,
- N. whereas, according to the German statistical office, up to 45% of the cost of a product unit is made up of the cost of materials, and whereas intelligent use of raw materials and efficient use of energy are thus crucially important for European industry,
- O. whereas, despite the performance of some Member States, the EU has lost market share; whereas the EU's presence in the high-technology sector is not what it should be, in particular as regards NICTs (13% of added value in the United States, as against 5% in the EU); whereas productivity is slowing down in the EU's manufacturing industry,
- P. whereas the manufacturing industry is the main source of productivity gains, both within the industry itself and in the other economic sectors, and whereas industrial innovation is one of the main catalysts for the development of new services and, thereby, for long-term growth, particularly in view of EU demographic trends,
- Q. whereas industry forms an essential part of the EU economy, accounting for 37% of the EU's GDP (when taken together with the related services), 80% of R&D spending and 75% of exports,
- R. whereas the EU's traditional industries are important, and whereas their expertise needs to be put to good use,
- S. whereas our international competitors, such as the United States and the Asian nations, have adopted proactive industrial policies based on large-scale investment in R&D in key sectors,

## A new approach to a sustainable industrial policy

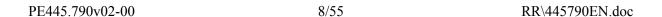
- 1. Welcomes the fact that, with the Europe 2020 Strategy and the Communication on an Integrated EU Industrial Policy, the Commission is finally acknowledging the importance of a thriving industrial, and in particular manufacturing, base for sustainable growth and employment in Europe and committing itself to an integrated industrial policy based on the principle of a social market economy;
- 2. Acknowledges the proposal for Integrated Industrial policy proposed by the Commission and notices its focus on restoring EU industry's competitiveness; stresses





- in this respect that, in the face of the global challenges, it is essential that energy and resources efficiency are at the basis of the European industrial renewal if European industry intends to maintain its competitiveness in the future;
- 3. Highlights the fact that the various measures put forward by the Commission need to remain affordable for consumers, especially at a time when the European economy, particularly in the new Member States, is still recovering from its worst crisis for decades:
- 4. Highlights the fact that sustainable development, as defined by the Johannesburg Conference in 2002, is to be based on three pillars: economic, social and environmental, and that, in order to have the most competitive economy, industrial policy needs to be sustained by finding a balanced mix of these factors;
- 5. Calls on the Commission and on the Member States to develop an ambitious, ecoefficient and green EU industrial Strategy in order to recreate manufacturing capacity across the EU territory and to generate highly qualified and well paid jobs within the EU;
- 6. Stresses the need for long-term regulatory predictability and stability which are vital to industry for investment planning; therefore calls on the Commission to develop, together with the European Parliament and the Council, a comprehensive vision for European industry in 2020, which looks towards competitiveness and sustainability of industry and lays down guidelines, for example for energy and resource efficiency, with a view to developing growth, employment and thereby prosperity in Europe; regrets, in this respect, the lack of tangible proposals in the Commission Communication;
- 7. Calls on the Commission and the Member States to ensure that, in connection with the changes to the EU Treaties that are currently being considered, employment is placed on the same footing as combating inflation among the European Central Bank's objectives;
- 8. Stresses that development cannot exist without a solid and strong industrial base; recognises that development can contribute to increased job creation and preservation of the living standards of citizens;
- 9. Calls on public authorities to cut back on red tape, prevent duplication of formalities and increase transparency with regard to time-frames for the resolution of proceedings;
- 10. Stresses that this will only be possible with a knowledge-based industry with a strong industrial basis;
- 11. Stresses that a new, sustainable industrial policy can achieve success only via an integrated, cross-sectoral approach underpinned by practical horizontal and sectoral initiatives based on objective economic argumentation, focused on common issues with major implications for a number of sectors and bringing tangible results for both business and consumers at European, national, regional and local level;
- 12. Emphasises how important sectors like energy and transport are within the cost structure of European industry; takes the view that the competitiveness of these sectors needs to

- be further improved via privatisation; with this in mind, is convinced of the need to restrict the level of public funding in companies operating in liberalised markets and to take steps with a view to the freedom to provide services in all modes of transport;
- 13. Believes that macro-economic framework conditions in which European industry can thrive must be established, taking due account of the reality of resources scarcity and depletion; in this context, considers that Europe must aim not only at promoting today's competitiveness but above all at securing future competitiveness;
- 14. Takes the view that the EU's industrial strategy should identify strategic fields to invest in and calls on the Commission and the Member States to reflect these priorities in the future financial perspective, in the annual budgets and in EU policies;
- 15. Considers it important to adopt an integrated industrial policy under which European initiatives in all areas are complementary and not contradictory to the common goal of development;
- 16. Urges the Commission to make haste with the completion of the EU single market, this being a precondition for competitive industry and innovation;
- 17. Highlights the fact that fair competition together with open markets are crucial for the emergence of new and dynamic industries;
- 18. Is convinced that not only the public sector but mostly the private sector will have an essential role to play in investing in the restructuring and the development of new industrial sectors, ensuring both the creation of jobs and the transition to a resource-efficient and low-carbon economy; considers it essential, therefore, for the right framework to be in place to stimulate these private investments;
- 19. Emphasises that the new, integrated approach calls for extremely effective collaboration within the Commission and coherence amongst the different Commission policies; to this end, calls on the Commission to set up a permanent industrial policy task force which will be responsible for coordinating and adapting the direction and the measures under the current new and integrated European industrial policy strategy and for monitoring their implementation;
- 20. Calls on the Commission to focus more on competitiveness aspects during the impact assessment process ('Competitiveness Proofing') and in ex-ante/ex-post evaluation ('Fitness Checks'), and to implement this essential part of smart regulation as fast as possible across all Commission services;
- 21. Stresses that the European Union could create the most competitive industry in the world by means of, inter alia:
  - new standards of quality and effectiveness,
  - shortening the time-to-market for new products with the help of advanced ICT analytical, design, manufacturing and maintenance tools, methods and processes,





- facilitating the development of SMEs and the equipment sector within the supply chain.
- making more determined efforts to match the synergies between civil and military research;
- 22. Supports the Commission's initiative at Point 3 of its Communication consistently to analyse the industrial policy implications of future legislation and to assess the implementation of this legislation, and stresses that the social partners must be included and there must be the greatest possible transparency;
- 23. Stresses that a new, sustainable EU industrial policy can only be effective if it is pursued in close coordination with the industrial policies of the Member States, and therefore calls on the Commission to take in 2011 the initiatives that are possible under Article 173(2) of the Lisbon Treaty, in the form of guidelines, indicators, exchange and dissemination of best available practices and technologies, monitoring and evaluation procedures;
- 24. Calls on the Commission to develop, together with the European Parliament and the Council, a new framework that will permit and encourage companies from different Member States to work together more effectively in setting and achieving their industrial priorities; believes that this will strengthen the competitiveness of European-made products and improve responses to changing global market conditions;
- 25. Is convinced that the success of a new, sustainable industrial policy depends on the involvement of all stakeholders, including the social partners, regional and local authorities, representatives of SMEs and civil society; notes that the Commission is required to embed a clear partnership principle in all areas and measures, part of which consists in joint monitoring and evaluation of anticipated measures, including assessment of strategies/measures/programmes;
- 26. Considers that an 'EU industrial policy for the globalised era' can achieve its aims only if it deals with the extent to which Community policies are adapted to future challenges that European regions and their local industries are facing and will face in the coming years, insofar as the EU policies concerned lead to an increase in the efficiency and competitiveness of SMEs, the prime movers of European industry; in this regard, stresses that the impact of economic, demographic, climate and energy changes needs to be further analysed with respect to their regional dimension, taking into consideration the potential regional disparities that these challenges will generate, thus affecting the homogeneous growth of EU industries; emphasises the leading role played by regions in promoting the greening of industry and the development of renewable energies;
- 27. Notes that industrial policy depends to a large extent on protecting EU industry against unfair competition from third countries;
- 28. Calls on the Commission to draw up without delay a detailed time frame for monitoring implementation of this strategy and to present an annual progress report; considers, furthermore, that the Commission should reassess every year the effectiveness of these guidelines and initiatives in order to identify any problems that have arisen during their

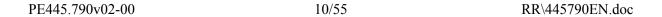
- implementation, and should lay down additional objectives with a view to ensuring that EU industrial policy is always at the forefront of progress;
- 29. Points out that internationalisation is a key factor in the competitiveness of businesses, and therefore calls on the Commission to step up efforts to promote as much as possible the knowledge gained across the spectrum of business support networks so that companies that are in the process of internationalisation can make use of it;
- 30. Stresses that pan-European structures and infrastructures that aim at joining sources and resources could launch a pan-European industrial model capable of competing on the global market;

## **Funding**

31. Calls for ambitious funding for industrial policy and for infrastructure facilities (in particular research and energy, telecommunications and transport (TEN) infrastructure) – the 'public utilities' that make up the corporate environment; considers it essential, to this end, for EU bonds (Eurobonds or project bond) to be issued with a view to enabling the Union to fund innovation, infrastructure and reindustrialisation;

#### Innovation

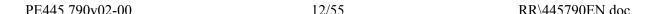
- 32. Stresses that innovation is the main driving force behind industrial policy and growth, and that all initiatives in support of innovation:
  - must be based on a comprehensive definition of innovation which embraces products and producing systems, services, training, processes, organisation, quality, management, dissemination and protection,
  - must take account of policies implemented in third countries and make suitable
    adjustments to some of our internal policies, such as those governing state aids for
    research, development and innovation,
  - must, in particular, cover the design, production and composition of products and services along the whole chain of processes and added value, through the provision of support right up to the product pre-marketing stages,
  - must be technology-neutral,
  - must first aim at providing a favourable environment for companies to invest in R&D
    and innovation through efficient financing schemes and greater cooperation between
    actors inside and between different industries and within the value chains, research
    institutes and universities,
  - must focus on the role that production plays in the innovation phase; if all industrial
    production is relocated to other parts of the world, knowledge production will lose its
    base in Europe and also relocate because ideas produced on the drawing board
    cannot be tested immediately in practice,



- must promote creativity and employee-driven innovation within public and private organisations;
- 33. Stresses the need to distinguish more clearly between research and innovation as activities which, while closely linked, have different objectives, means, instruments of intervention and working methods: research, carried out by enterprises in the interests of their own growth, should create new knowledge and should, by its nature, be exploratory, independent and risk-taking; innovation, by contrast, has the objective of creating new products, new services and new processes having a direct impact on the market, on society and on the life of enterprises as such;
- 34. Believes that in particular the setting of benchmarks and standards has proven to be a strong driver for promoting innovation and sustainable competitiveness in several industrial sectors; calls for a reinforcement of the European Standardisation System through measures promoting simplification, transparency, cost reduction and involvement of stakeholders;
- 35. Draws attention to the need for better coordination between Member States and closer cooperation between businesses through business clusters, networks and centres of excellence;
- 36. Stresses that the competitiveness of the EU is very much dependent on innovation capacity, on research and development facilities and on the linkage between innovation and the manufacturing process;
- 37. Calls for research expenditure for the upcoming programming period from 2013 (8th RDP) to be significantly increased (EU target: 3% of GDP for research and development, 1% of GDP in public funding) as a matter of priority, so that European industry remains at the forefront of technology and globally competitive, thus putting private investment to effective use; notes that, alongside a strong focus on research into innovative processes, management, organisation and employee involvement in innovation, research in basic generic technologies is needed; stresses, furthermore, the need for the administrative procedures and procedures for gaining access to funding to be simplified;
- 38. Points out that the increase in regional disparities in terms of research and development potential is a challenge that has to be addressed not only in the framework of cohesion policy but also through research and innovation policy; in this respect, calls, in addition to research funding, for a reallocation of funding within the same operational programmes in order to support innovation and to enhance the deployment of research into marketed solutions for society;
- 39. Notes that a significant increase in R&D investment, both private and public, is essential for EU industry to remain a technology leader and retain global competitiveness in areas such as renewable energy and transport efficiency; notes that to support increased private R&D investment, functioning markets for innovative products and a stable investment environment are necessary; takes the view that increased public funding of R&D is necessary to leverage private investment and encourage collaboration, and that simplification of public funding procedures, especially in the EU

Framework Programmes, is a prerequisite for increased industry participation;

- 40. Recognises, however, that for Europe to reach the investment levels needed for innovation to be the driving force behind economic growth, the private sector needs to increase its R&D funding; therefore calls on the Commission to examine the barriers preventing Europe's businesses from investing at equivalent levels to their international counterparts, e.g. the US, and to take appropriate measures, legislative as well as non-legislative, as deemed necessary;
- 41. Considers Joint Technology Initiatives (such as Clean Sky) to be an extremely useful means of marshalling funding from States, the EU and the private sector for innovative projects with a strong knock-on effect; calls for funding to continue to be provided for existing projects, so that they may be completed, and considers it essential for new projects to be developed in promising sectors (such as biotechnology, nanotechnology, space, renewable energy, new means of transport and new materials);
- 42. Calls for the consistent use and reinforcement of available scientific and technological competencies in the Member States, particularly in key enabling technologies (KETs);
- 43. Welcomes the deployment of a high-level group of experts to draw up a common longer-term strategy and an action plan for KETs, so that their potential can be fully realised;
- 44. Stresses the success of the Risk Sharing Financial Facility (RSFF) as an important way of providing R&D and innovation funding via the EIB; strongly encourages the Commission to make significantly more funds available, including through revolving innovation funds from ERDF sources, and to promote direct private investments and innovative financing mechanisms for high-risk innovative projects and those in which suitable SMEs participate; also stresses the importance of making innovation programmes more accessible for SMEs by decreasing bureaucratic burdens;
- 45. Is concerned about firms' limited uptake of structural funding for the purpose of financing innovative projects; takes the view that managing authorities should focus on raising firms' awareness of the operational programmes and providing them with whatever help they need to launch their projects;
- 46. Calls on the Commission to draw up an inventory of the best practices of existing and planned funding mechanisms, fiscal measures and financial incentives to promote innovation, and calls for an annual update and review of the measures' effectiveness;
- 47. Calls for thought to be given to introducing new, alternative mechanisms to address the shortage of funding for EU businesses, in particular SMEs; considers that such mechanisms must
  - be based on public-private partnerships that share the risks between private and public investors,
  - ensure that public investment has the best possible leverage effect, thus generating substantial private investment,





- take account of the specific needs of innovative SMEs, which do not have the equity or assets required in order to raise funds through loans,
- foster the commercialisation of European research findings, as well as technology transfers to SMEs and
- support action by the European Investment Bank,

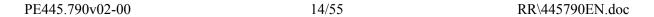
and must take the form of the following instruments:

- a European Innovation Financing Fund (EIFF), the role of which would be to invest in the start-up and development phases, on a risk-capital basis,
- a European patents fund to facilitate technology transfers between research centres and businesses, in particular innovative SMEs,
- loans on more favourable terms than those obtainable on the market;
- 48. Acknowledges the EU's problem of having fewer young leading innovators in high R&D-intensity sectors, especially biotech and internet; stresses, therefore, the need to encourage their development by tackling the specific barriers they face in new sectors and by closely monitoring emerging innovative markets, adapting the mix of policy instruments to their specific needs;
- 49. Calls on the Commission to create an environment favourable to enterprises at the startup and spin-off phases, by means of dedicated services enabling young entrepreneurs to overcome the barriers which have traditionally stood in the way of embarking on new productive activities (infrastructural barriers, access to information, cost of services, management of intellectual property);
- 50. Calls lastly for the EU to respond to the fragmentation of the European risk-capital market by bringing forward an EU scheme to establish pan-European funds;
- 51. Underlines the fact that investment in R&D and innovation could be made through national tax incentives and access to specialised finance, for instance venture capital;
- 52. Calls for further stimulation of technologies for sustainable development as begun in the ETAP action plan with the cross-linking of research, environmental and economic strategies, calls for an ambitious ETAP follow-up plan, where research, education, training and industry will join their efforts, and calls for allocation of adequate financial resources for its implementation; stresses the need to increase funding for the Strategic Energy Technology Plan (SET Plan);
- 53. Calls for industry to be involved in eco-innovation to boost its employment potential; notes, in this regard, that informing entrepreneurs by demonstrating new business opportunities will be crucial to the success of a strategy aimed at developing resource-efficient economies and sustainable industries:

- 54. Suggests that thought also be given to other forms of funding to support the development of innovative technologies by bringing together various stakeholders at different levels (European, national and local), as well as to making use of a range of tools including public-private partnerships and risk capital;
- 55. Calls for particular attention to be paid to support for innovation in effective and sustainable use of raw materials;
- 56. Recalls that, representing as it does an annual 17% of GDP in the EU, public procurement plays an important role for the European single market and for stimulating innovation; points out that competitors such as China and the USA have set ambitious targets for public procurement of innovative and environmental products; calls on the Member States and the Commission to simplify and improve national and EU procurement rules where necessary and in line with the rules of transparency, fairness and non-discrimination; calls on the Commission to provide information about existing possibilities of involving innovative and sustainable criteria in tenders under current EU procurement rules in line with the Europe 2020 Strategy and to promote the use of these possibilities; stresses that it is essential to ensure reciprocity of access to external public procurement markets, so as to enable EU businesses to compete on fair terms internationally;
- 57. Notes that pre-commercial public procurement can give a decisive initial push to new markets for innovative and green technologies, while also improving the quality and effectiveness of public services; calls on the Commission and the Member States to improve communication with public authorities about existing possibilities for pre-commercial procurement;
- 58. Considers that the importance of public procurement in stimulating an innovative industrial base should not be underestimated; calls in this regard on the EU Member States to exploit the full potential of pre-commercial procurement as a driver of innovation and as a tool for improving SME participation in public procurement, with the effect of identifying and effectively stimulating lead markets for European business;
- 59. Calls on the Commission to increase its efforts to prevent knowledge being transferred from the EU all over the world, particularly to China, which does not often reciprocate;

#### Resources

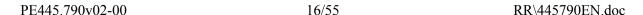
- 60. Considers that economic growth can and should be decoupled from increased use of resources;
- 61. Is convinced that the clear increase in resourcing efficiency as regards raw and auxiliary materials and supplies is strengthening the global competitive position of European industry, and therefore calls on the Commission to propose, building on its Communication on a resources strategy (COM(2005)670), an ambitious EU resource efficiency policy as a priority, by means of an action plan or, if need be, in a Directive on resource efficiency; considers that this means:



- drawing up a clear definition of resources in all their facets,
- developing clear cradle-to-cradle indicators for monitoring resource productivity and, if necessary, further developing corresponding standards, guidelines and prototype development of new approaches,
- indentifying targets and instruments that would enhance the EU's resource productivity, durability and reuse, recycling and remanufacturing and the development of closed-loop industrial production systems,
- supporting R&D on improving recyclability of products and their material contents, and supporting R&D on developing closed industrial processes with minimum levels of wasted material and energy flows,
- prototype development of new approaches, such as resource contracting,
- disseminating best-practice solutions and promoting resource efficiency networks, in particular targeting supply chains and SMEs, and support materials efficiency agencies,
- developing an SME-friendly standard form of business sustainability report which will analyse the 'environmental rucksack' resulting in economies and making firms more competitive in consequence and group together, standardise and promote the use of voluntary environmental management systems such as ISO 14001 or EMAS,
- incorporation of and respect for national raw material initiatives;
- 62. Stresses that the availability of raw materials, in particular strategic resources and rare earths, is of central importance to European industry's development possibilities, and therefore calls on the Commission to present an ambitious and comprehensive raw materials strategy in the first half of 2011, which should not only be limited to 'critical raw materials' as defined by the EU Commission and should include:
  - regular impact assessments of anticipated demand for and criticality and supply risks of raw materials and rare earths (including potential shortages, price increases, etc.) and the consequences for the EU economy in general and businesses in particular, with regular updates to the list of raw materials and rare earths covered,
  - monitoring production forecasts from third countries and the operating conditions of the global markets in raw materials,
  - intensification of raw material recovery and reuse by means of: setting and
    implementing ambitious though realistic recycling rules, plans, standards and
    incentives, strict implementation of the Waste Framework Directive and of rules on
    recovery of waste and exporting waste that can be a source of raw materials and an
    appropriate support of research the Commission should be asked to consider the
    further use of the producer responsibility concept in support of this goal),
  - more research on substitutes for scarce raw materials, consideration of resources

defined as 'scarce raw materials' and the establishment of a strategy for supplying the latter,

- optimal utilisation of and improved access to raw materials available in the EU, calling among other things for the rapid introduction of a European geo-information system and a common database that gives an overview of the raw materials, minerals and recyclable natural resources available in the EU,
- ensuring fair access to raw materials and rare earths through free and fair trade
  agreements and strategic partnerships and through the conclusion of economic
  partnership agreements with third countries with a view to obtaining adequate
  supplies, but only when this is fully compatible with the development objectives of
  EPAs,
- intensifying exchanges with partners such as Japan and the US on access to raw materials though bilateral dialogues but also with key raw materials producing countries such as China and Russia,
- when justified, efforts to resolve through the WTO disputes concerning raw materials of strategic importance to European industry,
- a regular and more proactive dialogue with African countries on raw materials and rare earths,
- initiation of consultations with third countries whose policies cause distortion on international raw materials markets, in order to discourage discriminatory policies which damage the market economy,
- improved access to renewable raw materials for use by industry and elimination of discrimination in European law which prevents wider use of these materials;
- measures to counter the growing market domination by national oligopolies and monopolies and transnational corporations as regards the extraction of mineral and energy raw materials and the manufacture of semi-finished goods, as well as trade therein,
- paying attention to the use of biomass not only as a renewable energy but also as a raw material for industry, promoting sustainability criteria and avoiding market distorting measures,
- a contingency plan in the event of a sudden interruption in supplies of vital raw materials for a variety of reasons,
- support for small and medium-sized enterprises using local raw materials, including agricultural and forestry raw materials;
- 63. Takes the view that an industry policy needs, first and foremost, to rebalance energy actions in favour of a demand-driven policy, empowering consumers and decoupling economic growth from energy use; considers in particular that the transport and





construction industries must pursue an active energy savings policy and diversify towards sustainable, non-polluting and safe energy sources, and that an industry policy should help create market conditions which stimulate higher energy savings and energy efficiency investments, to exploit a wide range of renewable energies as well as key technologies for energy storage mobility (notably public transport);

- 64. Is convinced that, in order to ensure security of investment, industry needs an ambitious but realistic long-term energy policy which: guarantees competitive energy prices and security of EU supply, reduces dependence on fossil fuels, encourages efficiency and savings in production and consumption, allows manufacturing to take place with as few damaging emissions as possible, and prevents energy poverty and carbon leakage; points out that legal certainty, stable framework conditions, appropriate investment and further harmonisation of the internal energy market are key to switching to low-carbon production and supply and reducing industry costs; stresses that the infrastructure for a trans-European energy network, which includes heating and also takes advantage of the digital and transport network infrastructures, must therefore be renewed and extended in a timely and cost-efficient manner, and smart grids and metering promoted, particularly with the aid of funding from the European Investment Bank;
- 65. Emphasises the importance to the European automobile sector of taking the lead in the further development and production of electric cars; calls on the European Commission in this respect to ensure, at the latest by mid-2011, framework conditions for the development of electric vehicles, notably concerning standardisation of infrastructures and charging technologies which will guarantee interoperability and safety of infrastructures; calls furthermore on the Commission to set up harmonised requirements for the approval of electric vehicles, with specific regard to health and safety for both workers and end-users;
- 66. Recalls the huge job creation potential and cost reduction benefits that energy efficiency improvements are expected to yield; considers that the adoption of measures including targets, standards and benchmarking mechanisms that ensure energy efficiency improvement must therefore underpin initiatives in all industrial sectors;
- 67. Calls for innovations in health care and the social sector so that industries will not face workforce shortages and higher labour costs in the next decades;
- 68. Draws attention to the energy-saving potential of smart technologies;
- 69. Believes that a policy of improving sustainability of transport systems and infrastructure through such measures as more efficient technologies, interoperability and innovative mobility solutions but also local sourcing policies is needed to ensure that supply chains can function with more sustainable logistics systems and at reduced operating costs;
- 70. Believes that modern ICT technologies provide a large potential for innovations in support of sustainability and eco-efficiency, e.g. integration of technologies by putting additional intelligence layers on top of physical layers to achieve more efficiency management of systems (such as water supply, transportation systems); stresses the need to have open ICT standards available for such solutions; therefore urges the Commission to require open standards and stakeholders to drive the development of

suitable open standards in support of resource efficiency;

- 71. Draws attention to the need for sufficient technical and skilled personnel; considers therefore that more investment is needed in the field of education and training; insists that every effort be made to redress skills shortages at all levels in order to promote the qualifications of the workforce and interest young graduates more in industry, by means inter alia of:
  - an institutionalised dialogue between the relevant authorities, representatives of businesses and the social partners with a view to reviewing syllabuses, so as to include the entrepreneurial spirit and increase awareness of business, and devising effective ways of completing the transition between education and profession, particularly encouraging the promotion of individual mobility programmes such as 'Erasmus for Young Entrepreneurs' and 'Erasmus for Apprentices',
  - both strengthening work-based learning throughout Europe in order to link vocational training systems more closely to the labour market, and enhancing the appeal of vocational training throughout Europe with higher education permeability for vocational training graduates,
  - securing the right to lifelong learning for all citizens, who must be given the opportunity to retrain during their working life, which is crucial for equality and solidarity but also for competitiveness in times of economic difficulties,
  - innovative training of young students as future employees ready to confront the forecast technological movements and closer relations between universities, research institutes and industry,
  - improvement of and wider access at all levels to education and training, especially in STEM subjects (science, technology, engineering and mathematics), by means of coordinated initiatives and the exchange of best practice in education, training, and innovative measures to reconcile work and family life and to promote gender and social justice,
  - coordinated activities to improve teaching and raise awareness of the economic role of European industrial sectors and the necessity of their innovative transformation within a low-carbon and resource efficient economy,
  - additional coordinated and targeted higher qualifications, which are of benefit to both employers and employees, with more extensive use of the European Social Fund in this connection,
  - setting up at European level benchmarking for jobs and skills to reflect the level of professional sectors, enterprises and the most developed industrial regions,
  - creating observatories of the industrial professions at regional, national and European level in order to identify the future professions and professional demand,
  - opening up, modernising and financially strengthening universities to allow them to



offer lifelong higher vocational qualifications, re-qualification (for engineers, IT specialists, technicians, etc.) or increased cooperation between science universities and those universities of applied sciences and educational institutions which are more geared to vocational education,

- establishing, in cooperation with training bodies and the social partners, work-based vocational and occupational (re)training and lifelong learning programmes, both for workers and for employers,
- more mobility and flexibility in vocational and educational training both for employers and employees, taking into account the individual requirements especially of SMEs.
- studying the new needs created in terms of employment and qualifications by the development of jobs in the green economy with a view to responding to them by means of appropriate training,
- encouraging closer synergies between universities and business culture and businesses of a knowledge-oriented type,
- incentives to encourage engineers and qualified researchers from third countries to come to the EU,
- setting up incentives for higher education to adjust the curricula accordingly;
- 72. Stresses the need to encourage youth access to the labour market through fairly paid internships and quality apprenticeship;
- 73. Considers it vital for the economic, social and ecological future of the Union that young people are made aware of the high level of specialised and general education needed for their later employment in industry;
- 74. Stresses that the comparative reluctance to engage in self-employed business activity can be overcome by creating a more attractive environment for business starters, more integrated support schemes such as ENTRE:DI and specific programmes such as 'Erasmus for Young Entrepreneurs';
- 75. Welcomes the Commission's proposal to explore new financing sources for major European infrastructure projects and supports the creation of an EU bond project in collaboration with the European Investment Bank;

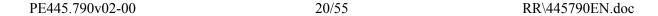
## Fair competition

76. Is convinced of the need to put the instruments of the internal market at the service of European industrial policy in order to promote the emergence of major 'European champions' who set global benchmarks in their sectors of activity, such as Galileo or SESAR; calls on the EU not to impose excessively asymmetrical constraints on its

- businesses in comparison with those which exist in third countries;
- 77. Stresses the need for the EU to secure for its businesses reciprocal access to public contracts when negotiating bilateral and multilateral agreements with third countries, while improving the effectiveness of the use of trade defence instruments by SMEs to combat monetary, social and ecological dumping practices, piracy, counterfeiting and illegal copying;
- 78. Calls on the EU, like Canada, the USA, China or Japan, to require indication of the country of origin of certain products imported from third countries so that quality and safety requirements with regard to traceability apply to them as well as to those manufactured in the EU;
- 79. Takes the view that, to consolidate European industry and, in particular, improve the competitiveness of companies within the world economy, it is necessary to introduce European provisions regarding origin marking (Made In); considers that this would make it possible for the public and for consumers to make informed choices and would encourage production within the European Union, which is in many cases preceded by a reputation for quality and high production standards;
- 80. Considers that a multilateral climate agreement would be the best instrument for reducing the negative impacts of CO2 on the environment, but that there is a risk that such an agreement will not be concluded in the near future; takes the view, therefore, that the EU should continue to look into the possibility of putting in place, for those industries that are actually exposed to carbon leakage, appropriate environmental instruments in addition to the auctioning of CO2 quotas under the EU's emissions trading scheme, in particular a 'carbon inclusion mechanism' that complies with WTO rules, as such a mechanism would make it possible to combat the risk of CO2 emissions being transferred to third countries;
- 81. Insists that the EU should examine the economic practices of third countries before drawing up its own policies, and calls in particular on the Commission to assess as a criterion the international competitive position of European businesses when monitoring State aid;

#### A sustainable culture for industry

- 82. Stresses the importance of creating the right framework for industry to remain in Europe and to further improve its global competitiveness; believes, therefore, that EU policies should be based on robust impact assessments which analyse all angles of the economic, societal and environmental benefits of EU policies;
- 83. Calls for EU initiatives that identify what drives growth, innovation and competitiveness in different sectors and then bring forward stronger, coordinated technology-neutral and market-based EU policy responses and instruments for those sectors, of which full use should be made; considers that, for these purposes, product-specific legislation such as the eco-design directive should be developed further in a cost-efficient way, the energy efficiency labelling directive should be fully implemented, and industry-stimulating initiatives such as the 'green car initiative' put in



place; calls, in this context, for a long-term campaign on sustainable consumption to raise awareness and change behaviour and thus support new innovative products and designs;

- 84. Believes in the need to maintain and strengthen Europe on the global industrial map, especially given that new industrial opportunities arise from EU investment commitments, e.g. in the fields of climate change and energy, which will open up employment opportunities in high-skill areas;
- 85. Calls on the Commission to clearly integrate this industrial policy into the development of the Roadmap for a Low-Carbon Economy by 2050, the SET-plan industrial initiatives and the 2050 vision in the Roadmap to a Resource-Efficient Europe;
- 86. Calls for the maintenance and extension of close-to-the-market innovation funding such as the current Competitiveness and Innovation Framework Programme (CIP);
- 87. Stresses the need for a systematic quality check of any new legislation using the following criteria:
  - scientific advice: quality of evidence and interpretation,
  - consultation: asking 'users' about their experience with existing regulations,
  - international benchmarking: comparing with legislation in key competing countries,
  - consistency of the proposal with related EU legislation,
  - simplification achieved (including voluntary alternatives);
- 88. Recalls that the European Globalisation Adjustment Fund (EGF) has become a vital tool to help communities transform from uncompetitive industries to sustainable ones; stresses that the EGF should continue and, if needed, be expanded;
- 89. Calls for efforts to be stepped up with a view to overcoming current difficulties and creating without delay a single Community patent, which will provide effective, high-quality legal protection at low cost, and a harmonised European system for settling disputes concerning patents, in order to improve the framework conditions for industrial and intellectual property rights, to enhance legal certainty and combat counterfeiting, whilst keeping bureaucratic costs at a minimum, particularly for SMEs; welcomes the large support in Council for the Commission decision to initiate in 2011 the enhanced cooperation procedure on a single EU patent; further calls for a reform of standardisation methods (in particular in the ICT sector) where standards development should be open, transparent, based on the principle of interoperability and ensuring the competitiveness of European industry; considers that promoting international standardisation will safeguard European technological leadership;
- 90. Notes that completion of the internal market is essential to the competitiveness and growth of European industry; stresses that European industries need a proper framework

in which to create and develop goods and services at European level, and welcomes in this context the proposals set out in the Single Market Act; calls on the Commission to identify the scope for efficiency-enhancing harmonisation and improved governance within the framework of the Single Market Act, particularly in the fields of VAT, intellectual property rights and the EU patent, global standardisation, labelling and specific sectoral standards;

- 91. Encourages Member States to assume a more proactive role in managing the single market, by improving cooperation between national authorities and strengthening the transposition, application and enforcement of single market rules on the ground; asks Member States to reduce transaction costs through additional measures, such as more effective e-government;
- 92. Stresses the need for public authorities to support the development of key technologies and emphasises that the development of standards must be accelerated, as it is crucial to preserving EU industrial competitiveness and stimulating new growth, and that this applies particularly to the development of standards stimulating innovation as a means of addressing emerging environmental and societal challenges;
- 93. Highlights the need to take account of the specific characteristics of SMEs and craft enterprises in the European standardisation system, particularly in terms of cutting the cost of access to standards, disseminating standards (through the publication of abstracts) and providing financial support; stresses the key role to be played by national standards bodies in promoting and boosting participation by SMEs and craft enterprises in the standardisation process, in keeping with the 'national delegation' principle;
- 94. Stresses the importance of taking into account aspects which are currently not covered by European patent law, such as 'business secrets', so as to enable European industry to reap the benefits of genuine protection of intellectual property rights relating to products and procedures, following the example of the USA and Japan;
- 95. Recalls that, in order to increase the competitiveness and technological leadership of European industry, it is desirable to:
  - take as a basis the European Standardisation System (ESS), the advantages of which have been demonstrated, and consolidate it so that it meets the needs of innovative undertakings as effectively as possible, particularly those of SMEs,
  - increase the participation of undertakings, especially SMEs, in the standardisation process and ensure a high degree of promotion of standards;
- 96. Stresses that there is still vast potential for the performance of European industry in the full implementation of the internal market and calls on the Commission and Member States to quickly dismantle the remaining obstacles and barriers in the internal market;
- 97. Calls on the Member States while noting that restructuring is the primary

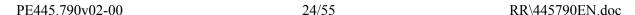


responsibility of companies and social partners - to establish task forces on restructuring operations which will oversee the restructuring processes and ensure smooth economic transition by, for example, improving mobility on the labour market, retraining and other measures that could provide innovative and sustainable alternatives for both employees and firms; calls for the role of the European structural funds and for research and development in furtherance of conversion processes to be intensified;

- 98. Calls for renewed investment in Europe's industrial workforce, with a strong emphasis on sectoral social dialogue to manage structural changes caused by globalisation and on the promotion of a resource- and energy-efficient economy; encourages the social partners in sectors where employment is declining to face the challenges early on and to support both individual workers and the sector during the transition phase; stresses the importance of transition security via functioning social security systems, as this can help individuals move towards sectors where employment is created;
- 99. Calls on the Commission to take the initiative to propose support for professional transition, to reduce social inequalities, to promote the ILO's Decent Work Agenda, and to use the EU Employment Guidelines to specify the securities to be provided throughout the lifecycle of each type of professional transition;
- 100. Calls for a more active role for the European Commission in the restructuring of companies with a European Works Council; considers that all relevant information should be made available at the earliest opportunity to the European Commission when such restructuring is carried out so that it can fully play its role as European interlocutor and coordinator for the Member States; considers that this will also put the Commission in a better position to screen and assess any use of State aid to assist restructuring;
- 101. Calls for the European Globalisation Adjustment Fund to be thoroughly assessed and reformed so as to accelerate access to it, and for its budget to be increased in the next Financial Perspective; suggests moreover that a European Environmental Adjustment Fund be set up;
- 102. Emphasises that the global economic crisis is affecting employment rates all over Europe, thus worsening the socio-economic prospects of the EU and increasing regional disparities; in this respect, emphasises that the existence of a competitive, diversified, fair and sustainable industrial sector based above all on efficient and competitive SMEs is essential for the future of workers Europe-wide; advocates making good use of the experience and abilities of older workers in preparing the ground for younger generations;
- 103. Acknowledges that there are regional differences in industrial development, principally where there have been deindustrialisation processes in the new Member States, and calls for these too to be incorporated in the new sustainable industry policy and the allocation of resources from the Structural Funds in order to strengthen territorial cohesion;
- 104. Stresses the great importance of SMEs in the industrial landscape, in particular when it comes to providing long-term jobs at regional level, and in preserving economic and

creative vitality and a high level of growth, and calls on the Commission:

- to cater better for the distinctive characteristics of SMEs and the specific difficulties they face, by pressing on with implementation of the Small Business Act, dealing with shortcomings in the application of the guidelines adopted and implementing appropriate specific measures such as reducing the administrative burden (as well as other aspects of regulatory burden, e.g. compliance costs) and consistently applying the 'SME Test' so that sufficient progress is finally made for Europe's SMEs,
- to support SMEs in accessing research services and competences through universities' consortia and foundations, structures working as a 'go-between' linking research and the market,
- not to overlook the issue of the European private company statute, which has been a key theme in European debate for many years,
- to continue working on better access to financing opportunities for SMEs and, in particular, to develop viable venture capital possibilities; to strengthen, in the context of the new architecture of the financial market, short- and long-term financing possibilities for SMEs and their preferred sources of finance; to open up markets and create fair preconditions for competition, enabling more entrepreneurs and small companies to grow and develop into companies operating all over Europe,
- to examine the EU definition of small and medium-sized enterprises with a view to allowing for a greater flexibility in specific industrial sectors in which SMEs do not fulfil the specified sales and employment thresholds due to specific market structures, but are nevertheless medium-sized, though any change to the SME definition must not impair its effectiveness,
- to develop the provision of advice to SMEs in the export business, particularly as regards gaining access to markets in non-EU countries, ensuring a long-term presence in those markets and protecting intellectual property and optimising its financial and technological value,
- to strengthen internationalisation measures in order to make SMEs more competitive and geared to the internal and global market,
- to increase SMEs' participation in the framework programmes for research and development, by simplifying the relevant procedures and putting in place a more effective information and support system at local level,
- to implement projects that facilitate networking between SMEs and larger firms throughout the value chain,
- to provide instruments fostering the development and growth of eco-innovative SMEs as well as the development of eco-industrial parks,
- to examine whether medium-sized and family-owned enterprises which do not fulfil the criteria of the existing SME definition are adequately able to use existing and

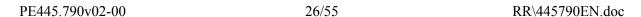




- future financing opportunities for research and development directed specifically at small and medium-sized companies,
- to ensure greater convergence between supply and demand in respect of patents, in particular for SMEs, and to reduce the cost of access to standards for SMEs;
- 105. Takes the view that the European directive on takeover bids must be revised to give the EU the means to oppose projects that may prove to be detrimental in industrial, economic and social terms to social cohesion and the stability of the internal market; takes the view that the Union must be able to oppose takeover bids from firms that are not socially responsible and/or fail to comply with good governance requirements, along with takeover bids envisaged in sectors that the Member States deem to be strategic, in accordance with the European Union's international undertakings;
- 106. Calls for improvement in the development of public-private partnerships;
- 107. Takes the view that in order to achieve Europe 2020 objectives and climate and energy targets by 2020, sectoral aid policy should not only be seen in the context of competition law, but must, in the interests of Europe, be used proactively, transparently and with clear rules to strengthen innovation, competitiveness and the roll-out of sustainable products, and in connection with industrial restructuring operations; opposes specific national State aid schemes that do not abide by the rules and therefore create unequal terms of competition;
- 108. Takes the view that competition policy must respond to the needs of an ambitious industrial policy, while respecting the rules of the internal market;
- 109. Emphasises that sustainable and fair development in the industrial sector can be better achieved by Member States through the principle of reciprocity of commercial policies; notes that regional network structures and competitive clusters should not be adversely affected by dissimilar commercial rules and provisions which have a particular impact on SMEs;
- 110. Stresses, as highlighted in many recent studies, that sectoral aid stimulates growth where it is compatible with the preservation of competition in the sectors concerned, and where its provision is coupled with mechanisms to ensure that projects which prove ineffective do not receive further funding; urges that the granting of such aid be systematically made subject to a requirement that the activities supported remain within the EU for at least five years, and at least 10 years in the case of R&D activities;
- 111. Notes in this connection that European business locations must be internationally competitive, especially in the field of key enabling technologies;
- 112. Believes that free trade remains a key cornerstone for Europe's economic growth and therefore calls for future multilateral and bilateral trade agreements to be drawn up in such a way that they form part of an industrial strategy based on fair global competition and reciprocity by European trading partners; takes the view that, in order to take into account the principle of sustainable development, social and environmental concerns

and relevant standards should be incorporated in free trade agreements; considers that steps must be taken to ensure that European industries are not endangered by unfair practices, as is currently happening in the solar energy industry; recalls that regulatory dialogues with key trading partners must be strengthened to prevent and remove barriers to trade; calls on the Commission to strictly monitor the environmental legislation, exchange rate policies, state aid rules and other support programmes adopted by third countries competing with the EU; calls for the consideration of an EU foreign direct investment strategy in emerging markets to enable better access in new markets and building up of local production;

- 113. Considers that the EU's trade policy, set against the multilateral background of the WTO and a transparent and effectively regulated market, needs an effective production base that is supported by appropriate sectoral policies and targeted at growth and sustainable development;
- 114. Considers that the economic recovery, spurred on by decisions taken by the EU and in conjunction with the Member States, will favour new opportunities for European firms as they find themselves increasingly competing in open, transparent global markets;
- 115. Considers also that EU industrial policy guidelines should give due consideration to more homogeneous customs controls, as an important means of fighting counterfeiting and protecting European consumers; considers that an industrial policy should also ensure that the customs duty collection systems of countries at EU borders are harmonised to avoid inequalities and harm being caused to the interests of importers and to the development of the EU's industrial fabric;
- 116. Stresses the crucial importance of free trade to the development of European industry;
- 117. Asks the Commission to make the guidelines for EU industrial policy the basis upon which tangible legislative instruments promoting EU trade are planned;
- 118. Calls for the Commission not only to improve the environmental performance of EU industry in its legal proposals but at the same time to ensure that the same environmental standards as for products produced in the European Union also apply to imported products into the EU single market, focusing not only on setting these rules but also upholding them;
- 119. Calls on the Commission to deliver on the objectives set out in the Global Europe communication and forthcoming communication on trade policy, notably by ambitious new market access in the Doha Round, including sectoral agreements, e.g. chemicals and machinery;
- 120. Calls for the preservation of effective trade defence instruments for the purpose of countering unfair commercial practices, such as dual pricing in respect of the supply of raw materials and subsidies for domestic industry;



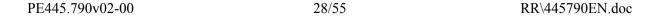


- 121. Stresses that employees' ideas and skills must be used in the restructuring of industry, and therefore calls for the widest possible consultation;
- 122. Calls on the Commission to create a framework for cross-border collective bargaining in order to contribute to the enforceability of cross-border agreements and to tackle the challenges concerning the organisation of work, training and working and employment conditions:
- 123. Stresses the need, when formulating and implementing industrial policy in the EU, to provide for consideration of the conditions under which industrial waste products, especially toxic waste products, are disposed of and their destination, in order to ensure that industrial waste does not become an environmental, economic or social burden on communities both within the EU and in third countries;
- 124. Asserts that effective market surveillance throughout the internal market is crucial to protecting European industry from unfair competition; encourages the Commission to submit ambitious proposals to reform the current system of market surveillance, strengthening the EU's role in the coordination of national market surveillance and customs authorities and ensuring that adequate resources are made available in all Member States;
- 125. Calls on the Commission to continue the Better Regulation strategy and to improve governance of the single market, namely by creating 'one stop-shop' schemes and promoting online cross-border administrative solutions taking into account the particular needs of SMEs;
- 126. Stresses that the expansion in times of crisis of the hidden economy and undeclared activities is an important factor in distortion of competition; calls on the competent authorities in the Member States to take the necessary action to combat this phenomenon;
- 127. Stresses the importance of workers' contributions to increasing economic growth and progress;

## **Specific industries**

- 128. Is convinced that, in parallel with a horizontal approach, specific sectoral initiatives must be launched in order to further promote modernisation, increased competitiveness and sustainability of individual industrial sectors, their supply chains and associated services through best-case practice sharing, standard-setting, benchmarking and similar soft policy-making tools; calls for:
  - implementation of the recommendations of existing industry-specific approaches (task forces, high-level groups, technology and innovation platforms such as Cars 21, etc.) in a way that is tailored to the needs of the specific industries, comparably

- developed by the Commission in consultation with all stakeholders, and with the establishment of new sectoral initiatives in other appropriate sectors,
- the securing of sustainability proofing of the sector specific approaches in line with the EU's climate and energy policy objectives and ambitious resource efficiency objectives,
- consideration of the whole range of possible policy measures including benchmarks and standards and sustained R&D and innovation efforts,
- a particular focus on the key European industries and those facing major societal challenges but where there is also business and employment potential,
- emphasis to be placed on the complementary nature of different types of crosscutting technology, and on the convergences between the sectors concerned that have been made possible by the transition to a digital economy,
- the development of new activities such as renewable energies and creative industries sectors in which the EU is at an advantage, and which have the potential to create large numbers of jobs to be encouraged,
- regular progress reports by the Commission;
- 129. Takes the view that EU industrial policy should also be based on practical projects which bring tangible benefits to European businesses and citizens, such as the GMES, Galileo and ITER projects;
- 130. Points out that European industry is increasingly dependent on business services and that particular attention therefore needs to be paid to all the main links in the production chain; welcomes, in this context, the willingness expressed by the Commission to attach greater importance to these interdependencies;
- 131. Reiterates the need to make swift progress in relation to interconnection of the European business register, as a means of ensuring that information for both producers and consumers is transparent and reliable;
- 132. Stresses the importance of the tourism industry in the EU, which is the world's foremost tourist destination, and in certain regions where it is the mainstay of the economy; supports the Commission's strategy for boosting the competitiveness of the tourism industry by means of measures relating to quality, sustainability and the enhancement of Europe's image as a tourist destination;
- 133. Calls on the Commission to respect the roadmaps and conclusions developed in industry-specific approaches; believes that these roadmaps provide industry with long-term planning certainty and are a valuable tool for remaining competitive;



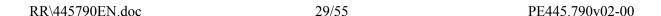


## Responsibility

- 134. Takes the view that European industry and stakeholders should step up their investments, corporate, social and environmental engagements and cooperate closely to develop favourable framework conditions; believes that industry should maintain investment and production in Europe, sustain its own research efforts, and strive towards sustainable growth, innovation and fairly-paid employment; believes that industry has a role to play in developing a new culture of qualifications offering good opportunities for high quality training and even more innovative, sustainable products and processes, and should enter wherever possible into strategic partnerships in Europe;
- 135. Calls on the Commission and Member States to devise new mediation approaches to monitoring and building new infrastructure and to implement them so as increase the involvement of citizens, so that infrastructure which is necessary for the sustainable renewal of the industrial base (e.g. smart networks, wind farms, new railway lines) can quickly become possible;
- 136. Expresses its conviction that the world economic crisis has clearly demonstrated the need for companies to act with due diligence in full conformity with the principles of CSR regarding both good corporate governance and respect for the environment and social excellence;

## Regions

- 137. Stresses that regional structures make a major contribution to strengthening industry in Europe; considers that competitive clusters and innovation networks (businesses, universities, research centres, technology services, training institutes, etc.) and linkages among businesses themselves and with other players (value-added chains, synergies) are essential to investment decisions; for this reason, takes the view that:
  - innovation clusters and networks, in particular the European competitiveness clusters and the new innovation partnerships to be launched in 2011 as part of the 'Innovation Union' initiative, and mainly in the field of key enabling technologies, should be given greater support, enabling knowledge and technological transfer and research, better training and the infrastructure to be promoted in a coordinated way, something which should also be a priority for the European Regional Development Fund,
  - regional network structures and rural regions should receive EU assistance with promoting their industrial base,
  - the clusters and networks should be brought together under the 'umbrella' of European platforms, so that support for clusters and networks can be strengthened,
  - initiatives such as the Covenant of Mayors and Smart Cities should be supported, as industry and SMEs also benefit from these,
  - the European Investment Bank should strengthen the link between industrial policy and territorial cohesion;



- 138. Recognises the contribution of EU industry to the vision of socio-economic and territorial cohesion and considers prosperous industry to be a crucial condition for economic growth and social stability in EU regions;
- 139. Calls, therefore, for concerted efforts to use and build on the scientific and technological skills which are already available in the regions, in particular in the area of key technologies, and for more emphasis to be placed on cluster policies;
- 140. Points out: that the roll-out of appropriate digital infrastructures and innovative technologies is a strategic element for increasing the competitiveness of EU regions and industries; that the ICT sector plays a key role in enhancing the productivity of other industrial sectors; that modern communication infrastructures with high transmission capacity should primarily be built in underserved regions; and that this could result in a favourable environment for public and private investment and, importantly, would help raise the digital literacy standard of business;

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141. Instructs its President to forward this resolution to the Council, the Commission and the Member States.

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#### **EXPLANATORY STATEMENT**

#### A SNAPSHOT OF INDUSTRY IN EUROPE

EU industry accounts for roughly a third of gross value added in the EU, with almost 3/4 of European exports being made up of industrial goods, and a third of employment, providing subsistence to some 57 million people. If its multiplying effect is accounted for, whereby each job in industry creates approximately two extra jobs in related services, its impact on employment is even more substantial.

**Industry in EU27 (Eurostat)** 

	% Gross Value Added (2008)	Employment (2008) % of total in million		# of enterprises in '000s (2007)
Mining and quarrying	1	0.4	0.8	21.4
Manufacturing	16.8	16.8	37.0	2 323
Electricity, gas and water supply	2.3	0.8	1.7	36.0
Construction	6.4	8.4	17.0	3 090
TOTAL	26.5	26.4	56.5	5 470.4

#### REDISCOVERY OF INDUSTRY IN EUROPE

The recent profound economic crisis has hit European industry. But the crisis has also exposed industry's importance to the EU economy and made it evident that not enough has been done to comprehensively address its needs in the current challenging climate. Industry is presently often given second place to much talked-about services and financial sectors. EU Industrial policy remained often focused on the idea that markets should regulate themselves and this has so far been primarily carried out through single measures with hardly any coordination among Member States (MSs). It was largely a reaction to a changing context and rarely an action based upon advance analysis.

## THE ONGOING CHALLENGES

Industry was already undergoing a process of restructuring before the onset of the economic crisis. Currently it faces a range of mutually reinforcing challenges:

a) Industry has been continuously and deeply affected by the accelerating changes in the development of global economy. The delineation between developed and developing countries and their traditional sectors of domination is changing daily through intensifying competition. Demands in the global market are speedily evolving and requiring business re-orientation, restructuring and re-specialisation. The new international division of labour with fast-growing economies like China, India, Brazil and Russia increases the pressure of globalisation.

- b) A new form of globalisation is taking place with a progression to a global knowledge society where innovation and research outweigh manpower and manual labour as the driving force for growth and competitiveness.
- c) Climate change is irreversible and non-negotiable. The outburst in the global economic race has placed an enormous strain on all forms of resources. Given the need to alleviate climate change and safeguard biodiversity, with raw materials depleting while demand is growing, industry needs to move towards a carbon-free and resource-efficient production.
- d) Demographic shifts are profoundly changing the profile of both consumer and provider. The continuous rise of the average age requires new products, forms of transport and organisation of labour. There will be a lack of qualified labour.
- e) Speedy urbanisation poses new challenges to mobility, buildings and logistics, among other things.

#### STRENGTHENING THE COMMON APPROACH TO INDUSTRIAL POLICY

Europe 2020 Strategy for the first time acknowledges the need for a fresh approach by presenting a flagship initiative. It is time for the EU to take full advantage of the common opportunities for sustainable renewal and further development of the industrial base with quality jobs. European industry should maintain leadership in the key domains, not become the follower. It's time for the EU to choose its own way for the industry of future. The EU has to make sure that the added value is created within the EU itself.

It is clear that a successful industrial policy has to be embedded in both:

- a new architecture of the financial sector and
- a distinctive macro-economic coordination of economic, fiscal and budget policies towards growth and employment without fiscal dumping (e.g. harmonisation of company tax)

The failure of the paradigm of self-regulation of financial markets must lead to a comprehensive new regulatory framework able to bring the financial system back to its essence: turning savings into productive investments, especially for industry and SMEs.

The opportunities provided by Article 173 of the EU Treaty should be seized. A coherent and unambiguous industrial policy along with a clear strategy and indicators to ensure and monitor success should be jointly developed between the EU and MSs. The different tendencies in industrial policy (protectionism, governance, incentives, competitiveness) should not be allowed to get out of control.

#### A NEW INTEGRATED AND SUSTAINABLE INDUSTRIAL POLICY IN THE EU

The EU industrial policy should be oriented both towards a sustainable, eco-efficient and

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globally competitive renewal of the industrial base and towards a sustainable transition from a mainly productive towards a knowledge industry. The integration of all EU policies combining all aspects with an impact on industry is crucial. This requires a new level of cooperation within the Commission and cooperation with all actors.

In the view of the rapporteur, there are 15 key 'cornerstones' that the new approach to industry in Europe has to address:

## 1) Building an innovation chain

We need industry-related research, innovation development and application – the whole innovation chain. Innovation means more than technological innovation; it also means organisational innovation, innovation of business models, product design and quality. To promote innovation we have to create an innovation-friendly framework in norms, standards, patents and protection of intellectual property rights. New cross-sector basic technologies (e.g. ICT, mobility, energy, bio- and nanotechnology) should be emphasised and pursued. We need coherent strategies enabling convergence of, and cooperation between, different innovative sectors. The EU's innovation policy should be targeted on the holes in the value chain. The main areas of the future like sustainability, demographic change and urbanisation have to be tackled with new solutions.

## 2) Increasing resource efficiency

Labour productivity has developed in the last decades much faster than resource productivity (energy and material). In industry, labour costs represent approximately 20%, resource costs 40%. A strong increase in resource productivity based on EU standards, incentives, common and company objectives and promoting systems for the best available technology strengthens sustainability and global competitiveness for the European industry with new market perspectives in global value chains, and safeguards jobs in Europe. There should be a calculation of the 'ecological rucksack' of the companies by a mandatory sustainability report.

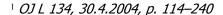
#### 3) Clear targets for sustainable products

Sustainable production must be enhanced by coordinated eco-innovative product standards based on life cycle analyses (e.g. eco-design directive, standards for buildings and cars).

## 4) Using public tenders

Public tenders should be the instruments to introduce new and sustainable products and services in both the public and private sectors. The opportunities offered by Directive 2004/18<sup>1</sup> should be used consistently. Moreover there is a need to better target public spending to investments in the future, primarily to the benefit of the knowledge economy and industrial innovation.

#### 5) Enhancing clean energy production



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Energy and industrial policy are closely linked. A good energy supply is mandatory while renewable energies are the new growth markets leading to new quality jobs. Industrial policy needs a long-term energy policy, ensuring climate change policy, reasonable energy prices and security of supply while avoiding occurrence of carbon leakage.

## 6) A convincing raw material strategy

European industry is dependent on reliable access to raw resources, which has become increasingly problematic. Besides a fair securing of sufficient resources supplies, there is a need to simultaneously develop a proper policy for a high percentage recycling of existing resources (i.e. WEEE directive) and a stop of waste export, to be underlined by the necessary R&D. Barriers to fair international trade in key industrial resources needs to be continuously tackled.

## 7) Reshaping trade for a fair coexistence and sustainable production

International trade policy is clearly central to sustainable production. Trade is not a goal in itself but part of an industrial strategy. Trade policy should provide access to key and growing markets on a fair basis. The multilateral rules-based system under the WTO with its dispute settlement is the most effective and legitimate means of managing and expanding trade relations in a transparent way. Sustainable production requires a decent work environment and remuneration as well as obligatory environmental standards. This should be laid down in trade agreements.

## 8) Outlining an obligatory sectoral industrial policy

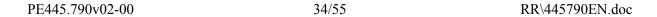
Different sectoral approaches (task forces, high-level advisory boards, innovation platforms, i.e. LeaderShip, Cars 21, ICT Task Force, High Level Group Chemical industry), should be given a clear framework and strategic content with sectoral impact assessments and action plans to promote sustainable development.

#### 9) Involving SMEs

SMEs should be reinforced as the spine of European industry by improved technology transfer, access to funding in terms of bank lending, venture capital but also Community funding through FP programmes. In addition, a higher share for SME participation in public procurement should be stimulated as well as better opportunities for their internationalisation created.

## 10) Developing regional areas for action

EU policy should better promote innovative clusters in order to develop, in a coordinated way, transfer of knowledge, research activities, qualification development and infrastructures. The establishment of European competitiveness clusters and new grouping of different innovation actors (companies, universities and research centres - 'ecosystems') and industrial networks with operational flows of knowledge and the involvement of many actors are crucial for investment decision. The European Investment Bank has to strengthen the link between industrial policy and territorial cohesion.



## 11) Ensuring anticipation of industrial change

Industrial policy should increasingly try to anticipate and address change by developing long-term strategies. We need a new instrument with broad involvement of the social partners.

## 12) Addressing restructuring

An outlook should be developed for workers and companies affected by restructuring resulting from structural change or globalisation effects. This could be done by creating a Restructuring Task Force and giving a stronger role to the EU Structural Funds in restructuring procedures. Regarding regional variation, action is needed especially in the new MSs with deindustrialisation processes.

## 13) Enhancing qualifications

The supply of relevantly qualified labour lags behind the needs of a restructuring and renewal of European industry. A dialogue needs to be established between the public authorities regulating education systems and the social partners to come up with practical solutions for managing the transition from school to labour market and for organising further qualification processes in a way that is most beneficial to both employers and employees. Innovation and qualification demands a further development at university level.

## 14) Enlarging workers' participation in decision-making

A larger participation of workers ensures a qualitative development and prevents poor working conditions in the process of renewal. Corporate Social Responsibility systems support the social and sustainable development of companies.

#### 15) Long-term policies

Besides an integrated approach to European industrial policy, investment decisions and innovation cycles in industry require a long-term legislative orientation.

An integrated and sustainable industry policy is one side of the coin; the other is a clear commitment from industry for EU investments, strengthened research capacity, contribution to a new culture of qualifications, resource-efficient products and manufacturing methods, and for strategic partnerships among firms in the EU.

#### **OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE**

for the Committee on Industry, Research and Energy

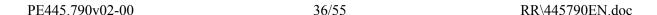
on an Industrial Policy for the Globalised Era (2010/2095(INI))

Rapporteur: Gianluca Susta

#### **SUGGESTIONS**

The Committee on International Trade calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- 1. Considers that the EU's trade policy, set against the multilateral background of the WTO and a transparent and effectively regulated market, needs an effective production base that is supported by appropriate sectoral policies and targeted at growth and sustainable development;
- 2. Is convinced that innovative, good-quality industrial production is vital to the EU's trade policy and its competitiveness, in line with the EU 2020 Strategy and as a response to the economic and financial crisis, the aim being to cut Member State debt and unemployment figures, redistribute wealth more equally and protect the European social model;
- 3. Considers that in its industrial policies the EU must pay particular attention to the following: supporting eco-compatible, energy saving and low-carbon production, protecting intellectual property, building up SME capital and access to funding, making SMEs internationally active, liberalising protected markets, stabilising exchange rates, fostering the legal protection of European companies abroad, and combating unfair competition, distortions of competition and counterfeiting;
- 4. Considers that the economic recovery, spurred on by decisions taken by the EU and in conjunction with the Member States, will favour new opportunities for European firms as they find themselves increasingly competing in open, transparent global markets;
- 5. Considers that external competitiveness is vital to the EU and that it is based on fair

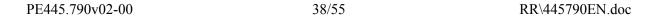




competition between domestic and external producers; believes therefore that steps must be taken to ensure that European businesses are not threatened by unfair practices; stresses the importance of a system of effective trade protection and draws attention to the need to make use, where necessary, of trade defence instruments vis-à-vis countries which fail to comply with international trade rules or free trade agreements with the EU;

- 6. Stresses the need to defend EU interests in negotiations on future trade agreements in order to protect industry and employment, and calls for such agreements to be drafted in such a way as to form part of an industrial strategy based on fair competition; considers also that the inclusion in free-trade agreements of legally binding clauses on social and environmental standards should become standard practice;
- 7. Considers also that EU industrial policy guidelines should give due consideration to more homogeneous customs controls, as an important means of fighting counterfeiting and protecting European consumers; considers that an industrial policy should also ensure that the customs duty collection systems of countries at EU borders are harmonised to avoid inequalities and harm being caused to the interests of importers and to the development of the EU's industrial fabric;
- 8. Considers that the EU's industrial policy should ensure compliance with the reciprocity of trade rules, with a view to protecting European businesses and market rules vis-à-vis the EU's economic partners and competitors;
- 9. Asks the Commission to make the guidelines for EU industrial policy the basis upon which tangible legislative instruments promoting EU trade are planned.

Date adopted	1.12.2010
Result of final vote	+: 21 -: 3 0: 1
Members present for the final vote	William (The Earl of) Dartmouth, Laima Liucija Andrikienė, David Campbell Bannerman, Harlem Désir, Christofer Fjellner, Joe Higgins, Yannick Jadot, Metin Kazak, Bernd Lange, David Martin, Vital Moreira, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, Helmut Scholz, Peter Šťastný, Robert Sturdy, Keith Taylor, Paweł Zalewski
Substitute(s) present for the final vote	George Sabin Cutaş, Małgorzata Handzlik, Syed Kamall, Jörg Leichtfried, Michael Theurer, Jarosław Leszek Wałęsa
Substitute(s) under Rule 187(2) present for the final vote	Markus Pieper, Giommaria Uggias



#### OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Industry, Research and Energy

on An Industrial Policy for the Globalised Era (2010/2095(INI))

Rapporteur: Olle Ludvigsson

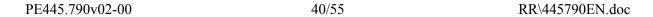
#### SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- 1. Considers that in creating the best environment to maintain and develop a strong, competitive, sustainable and diversified industrial base in Europe and supporting the transition of manufacturing sectors to greater energy and resource efficiency, it is necessary to ensure decent employment and social cohesion;
- 2. Believes in the need to maintain and strengthen Europe on the global industrial map, especially given that new industrial opportunities arise from EU investment commitments in the fields of e.g. climate change and energy, which will open up employment opportunities in high-skill areas;
- 3. Calls for renewed investment in Europe's industrial workforce, with a strong emphasis on sectoral social dialogue to manage structural changes caused by globalisation and the promotion of a resource and energy efficient economy; encourages the social partners in sectors where employment is declining to face the challenges early on and to support both individual workers and the sector during the transition phase; stresses the importance of transition security via functioning social security systems, as this can help individuals move towards sectors where employment is created;
- 4. Calls for the use of every measure aimed at stimulating innovative industries and new technologies, such as reducing taxes and the administrative burden and curbing excessive regulation in order to bring growth and create new jobs;
- 5. Considers that given the shrinking productivity gap with emerging countries, the EU must work harder to increase its competitive advantage; that a new long term-strategy for a sustainable EU industry is a necessary component of the EU 2020 strategy; that it must

focus on cutting-edge industries which can be competitive on the global stage and champion innovative technological solutions in, among others, areas such as energy provision and reducing carbon emissions; that it should achieve a fair shift in employment to a low-carbon economy, make knowledge and creativity the main resource of people, companies and regions, promote the social market economy, and actively support innovation, investment, vocational education, lifelong learning, transmission of knowledge and skills and quality job creation in new areas, particularly ensuring access for young people to these new areas; and that boosting the internalisation of EU companies and its SMEs in particular will also be key to strengthening our competitiveness and potential growth in a globalised world;

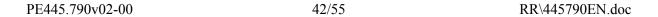
- 6. Urges that a fair shift in employment foster a low-carbon economy, make knowledge and creativity the main resource of people, companies and regions, and actively support innovation, investment and job creation in new areas where strong international competition must be tackled with adequate investment and the pooling of competences and resources:
- 7. Stresses the need to encourage youth access to the labour market through fairly paid internships and quality apprenticeship;
- 8. Calls for industry to be involved in eco-innovation to boost its employment potential; notes, in this regard, that informing entrepreneurs by demonstrating new business opportunities will be crucial to the success of a strategy aimed at developing resource-efficient economies and sustainable industries:
- 9. Considers it necessary to build up the competences of all workers, whatever their age and ability, in order to ensure re-skilling and anticipate skills needs for new jobs, this being particularly important as a strategy to reduce unemployment and particularly youth unemployment, which is at its highest peak in the EU due to the crisis. This should be financed by public and private spending and be coupled with a refocusing of the ESF, providing tailor-made solutions for education and training. The renewed efforts to address skills gaps in many industries should make the issue a priority in several areas, such as education policy, labour market policy and science policy, and there will also be a need to monitor emerging skills needs in cooperation with the social partners;
- 10. Considers that "an industrial policy for the globalised era" can achieve its goals only if it includes a reflection on the current regional disparities due to deindustrialisation, one of the consequences of globalisation; stresses, for this purpose, the critical role of the EU regional policy and the Structural Funds;
- 11. Points out that training and lifelong learning for employees affected by changes in a company's or industry's production processes also creates new jobs; calls on the EU to develop a framework for anticipating change and restructuring, in particular of production, providing the right for all affected workers to take part in training and lifelong learning schemes;
- 12. Calls for an improvement and simplification of the recognition of professional qualifications not only within the EU but also from third countries so that the industry can more effectively meet its demand for skilled labour;





- 13. Calls on the Commission to take the initiative to propose support for professional transition, to reduce social inequalities, to promote the ILO's Decent Work Agenda, and to use the EU Employment Guidelines to specify the securities to be provided throughout the lifecycle of each type of professional transition;
- 14. Calls on the Commission to create a framework for cross-border collective bargaining in order to contribute to the enforceability of cross-border agreements and to tackle the challenges concerning the organisation of work, training and working and employment conditions;
- 15. Calls on the Commission to further develop the integrated approach, bringing together all policies which have an impact on industry and particularly on job creation in EU industry sustainability, regional policies, social policies, education, trade, competition, and macroeconomic policies among others;
- 16. Considers it vital for the economic, social and ecological future of the Union that young people are made aware of the high level of specialised and general education needed for their later employment in industry.

Date adopted	2.12.2010
Result of final vote	+: 39 -: 1 0: 2
Members present for the final vote	Regina Bastos, Jean-Luc Bennahmias, Mara Bizzotto, Milan Cabrnoch, David Casa, Derek Roland Clark, Sergio Gaetano Cofferati, Marije Cornelissen, Frédéric Daerden, Karima Delli, Sari Essayah, Richard Falbr, Ilda Figueiredo, Pascale Gruny, Thomas Händel, Marian Harkin, Roger Helmer, Nadja Hirsch, Vincenzo Iovine, Liisa Jaakonsaari, Danuta Jazłowiecka, Ádám Kósa, Jean Lambert, Veronica Lope Fontagné, Olle Ludvigsson, Elizabeth Lynne, Thomas Mann, Elisabeth Morin-Chartier, Csaba Őry, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu
Substitute(s) present for the final vote	Raffaele Baldassarre, Vilija Blinkevičiūtė, Edite Estrela, Julie Girling, Sergio Gutiérrez Prieto, Filiz Hakaeva Hyusmenova, Antigoni Papadopoulou, Evelyn Regner, Birgit Sippel, Csaba Sógor



# OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

for the Committee on Industry, Research and Energy

on an industrial policy for the globalised era (2010/2095(INI))

Rapporteur: Jürgen Creutzmann

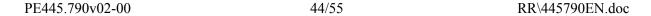
#### **SUGGESTIONS**

The Committee on the Internal Market and Consumer Protection calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- 1. Stresses that any ambitious EU industrial policy should be founded on the social market economy and that it must be based on a strong internal market, both within EU borders and in its external dimension and that it should aim to reduce transaction costs in order to promote competitive and sustainable industry in Europe; takes the view, in this connection, that all industrial policy instruments (such as R&D policy, regional and cohesion policy, competition policy, trade policy and 'smart regulation') must be brought to bear in addressing the opportunities and challenges of globalisation;
- 2. Takes the view that EU industrial policy should also be based on practical projects which bring tangible benefits to European businesses and citizens, such as the GMES, Galileo and ITER projects;
- 3. Stresses the need, when formulating and implementing industrial policy in the EU, to provide for consideration of the conditions under which industrial waste products, especially toxic waste products, are disposed of and their destination, in order to ensure that industrial waste does not become an environmental, economic or social burden on communities both within the EU and in third countries;
- 4. Notes that completion of the internal market is essential to the competitiveness and growth of European industry; stresses that European industries need a proper framework in which

to create and develop goods and services at European level, and welcomes in this context the proposals set out in the Single Market Act; calls on the Commission to identify the scope for efficiency-enhancing harmonisation and improved governance within the framework of the Single Market Act, particularly in the fields of VAT, intellectual property rights and the EU patent, global standardisation, labelling and specific sectoral standards;

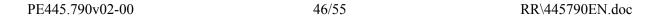
- 5. Encourages Member States to assume a more proactive role in managing the single market, by improving cooperation between national authorities and strengthening the transposition, application and enforcement of single market rules on the ground; asks Member States to reduce transaction costs through additional measures, such as more effective e-government;
- 6. Stresses the need for public authorities to support the development of key technologies and emphasises that the development of standards must be accelerated, as it is crucial to preserving EU industrial competitiveness and stimulating new growth, and that this applies particularly to the development of standards stimulating innovation as a means of addressing emerging environmental and societal challenges;
- 7. Notes that the European standardisation system has successfully contributed to completion of the internal market and to the competitiveness of European industry; nevertheless, calls on the Commission to propose measures to improve further the quality of European standards and to speed up standardisation procedures in order to ensure that new technologies are translated more quickly into innovative products that can be sold throughout the internal market; notes that further improvements should keep the standard-setting processes close to the markets and should enhance SMEs' participation and access;
- 8. Highlights the need to take account of the specific characteristics of SMEs and craft enterprises in the European standardisation system, particularly in terms of cutting the cost of access to standards, disseminating standards (through the publication of abstracts) and providing financial support; stresses the key role to be played by national standards bodies in promoting and boosting participation by SMEs and craft enterprises in the standardisation process, in keeping with the 'national delegation' principle;
- 9. Highlights the economic importance of SMEs and craft manufacturing businesses in the European industrial fabric; insists, therefore, on the need to place the 'think small first' principle promoted by the Small Business Act at the heart of the EU's new industrial policy in order to guarantee that the specific characteristics of these undertakings are taken into account in the process of defining and implementing that policy;
- 10. Underlines the fact that European industrial policy needs to take account of the entire supply chain, which is largely based on SMEs; calls on the Commission and the Member States to extend and improve initiatives such as the Enterprise Europe Network to make SMEs more aware of the potential benefits of cross-border cooperation, and to increase the numbers of SMEs benefiting from support in order to access new markets, source new technologies and secure EU funding or finance;
- 11. Asserts that effective market surveillance throughout the internal market is crucial to protecting European industry from unfair competition; encourages the Commission to



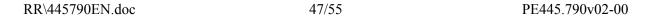


- submit ambitious proposals to reform the current system of market surveillance, strengthening the EU's role in the coordination of national market surveillance and customs authorities and ensuring that adequate resources are made available in all Member States:
- 12. Calls on the Commission to continue the Better Regulation strategy and to improve governance of the single market, namely by creating 'one stop-shop' schemes and promoting online cross-border administrative solutions taking into account the particular needs of SMEs; urges the Commission, in its impact assessments, to accord greater importance to the impact of new legislation on industrial competitiveness and to screen existing legislation in this regard;
- 13. Notes that pre-commercial public procurement can give a decisive initial push to new markets for innovative and green technologies, while also improving the quality and effectiveness of public services; calls on the Commission and the Member States to improve communication with public authorities about existing possibilities for pre-commercial procurement;
- 14. Considers that the importance of public procurement in stimulating an innovative industrial base should not be underestimated; calls in this regard on the EU Member States to exploit the full potential of pre-commercial procurement as a driver of innovation and as a tool for improving SME participation in public procurement, with the effect of identifying and effectively stimulating lead markets for European business;
- 15. Takes the view that innovation underpins any industrial policy; calls on the Commission and the Member States to foster key technologies through an innovation-friendly and technology-neutral framework, whilst guaranteeing respect for intellectual and industrial property rights; takes the view, in this context, that public procurement can play an important role by placing more emphasis on stimulating innovation and promoting sustainable products, particularly through the development of pre-commercial public procurement, where the EU lags significantly behind its main competitors; encourages public authorities to support public acceptance of new technologies on the basis of scientific evidence; considers it essential to strengthen human capital, in particular by taking steps to prevent the brain drain from Europe and by promoting the creation of clusters in innovative fields so as to guarantee growth and industrial competitiveness in the EU, notably through public-private partnerships;
- 16. Stresses that protecting intellectual property rights is of fundamental importance in protecting European know-how and promoting innovation in the EU, which entails, in particular, stepping up the fight against counterfeiting and reducing the cost of patents in Europe; calls on the Member States and the Commission, in this context, to continue their efforts with a view to the earliest possible creation of a European Union patent and a suitable dispute-settlement system, and to strengthen resources for, as well as coordination among, customs authorities and market surveillance authorities in order to detect the entry of counterfeit products onto the single market more effectively;
- 17. Calls on the Member States and the Commission, should concluding an agreement at European level prove to be impossible, to continue their efforts to create a European

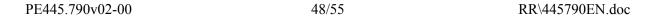
- Union patent through the introduction of intensified cooperation, with a view to the development of a competitive and innovative European industrial policy;
- 18. Notes that high-value-added EU industries face increasing restrictions on the availability of raw materials (such as non-ferrous metals) as a result of the fast-growing pressures on global demand driven by emerging economies; stresses that an EU raw-materials recycling policy should be developed as a priority and should be designed to support the EU's industrial policy by addressing the difficulties relating to waste recycling and promoting maximum re-use of waste materials; calls on the Commission to lead in the development of a new organisational model for sustainable manufacturing, taking account of the cyclical processes which already exist in many sectors, for example aluminium-based product manufacturing;
- 19. Stresses that access to financing for enterprises, particularly SMEs, remains inadequate and that the EU should innovate in order to provide more favourable framework conditions for the development of investment in the real economy; takes the view that, in a context of budgetary crisis, it is more necessary than ever to explore new funding methods, notably by reducing the fragmentation of the capital risk market, developing innovative public-private partnerships, such as joint technological initiatives, and strengthening the role of the EIB; underlines the need to improve and facilitate SMEs' access to the financing available on the financial markets;
- 20. Takes the view that competition policy must respond to the needs of an ambitious industrial policy, while respecting the rules of the internal market;
- 21. Underlines the fact that the social partners are best qualified to manage appropriate adjustments following the economic crisis and welcomes the suggestion, included in the Single Market Act, that a consultation exercise with the social partners be launched with a view to establishing a European framework for advance planning of business restructuring, aimed at the more efficient use of funds for restructuring purposes;
- 22. Points out that European industry is increasingly dependent on business services and that particular attention therefore needs to be paid to all the main links in the production chain; welcomes, in this context, the willingness expressed by the Commission to attach greater importance to these interdependencies;
- 23. Reiterates the need to make swift progress in relation to interconnection of the European business register, as a means of ensuring that information for both producers and consumers is transparent and reliable;
- 24. Calls on the Commission to ensure a global level playing field for European industry in terms of regulatory requirements and access to our partners' markets, particularly in relation to public procurement, and to draw up a strategy to support the internationalisation of SMEs; believes that, in an age of globalisation, any ambitious EU economic and social strategy must contain a genuine external dimension; takes the view that Europe should defend its interests and values with greater assurance and in a spirit of reciprocity and mutual benefit;







Date adopted	10.1.2011
Result of final vote	+: 27 -: 2 0: 1
Members present for the final vote	Cristian Silviu Buşoi, Lara Comi, António Fernando Correia De Campos, Jürgen Creutzmann, Christian Engström, Philippe Juvin, Sandra Kalniete, Edvard Kožušník, Kurt Lechner, Hans-Peter Mayer, Mitro Repo, Robert Rochefort, Heide Rühle, Andreas Schwab, Laurence J.A.J. Stassen, Bernadette Vergnaud
Substitute(s) present for the final vote	Regina Bastos, Cornelis de Jong, Frank Engel, Ashley Fox, Jean-Paul Gauzès, Liem Hoang Ngoc, María Irigoyen Pérez, Othmar Karas, Lena Kolarska-Bobińska, Constance Le Grip, Emma McClarkin, Antonyia Parvanova, Sylvana Rapti, Marek Siwiec



#### OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Industry, Research and Energy

on an Industrial Policy for the Globalised Era (2010/2095(INI))

Rapporteur: Francesco De Angelis

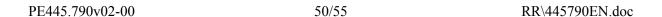
#### **SUGGESTIONS**

The Committee on Regional Development calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- 1. Recognises the contribution of EU industry to the vision of socio-economic and territorial cohesion and considers prosperous industry to be a crucial condition for economic growth and social stability in EU regions;
- 2. Considers that an 'EU industrial policy for the globalised era' can achieve its aims only if it deals with the extent to which Community policies are adapted to future challenges that European regions and their local industries are facing and will face in the coming years, insofar as the EU policies concerned lead to an increase in the efficiency and competitiveness of SMEs, the prime movers of European industry; in this regard, stresses that the impact of economic, demographic, climate and energy changes needs to be further analyzed with respect to their regional dimension, taking into consideration the potential regional disparities that these challenges will generate, thus affecting the homogeneous growth of EU industries; emphasises the leading role played by regions in promoting the greening of industry and the development of renewable energies;
- 3. Recognises the threefold challenge to be tackled by EU industrial policy as regards:
  - i) making central and eastern European economies market oriented,
  - ii) the recent economic downturn,
  - iii) ensuring future industrial production;

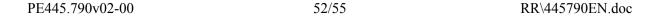
is of the opinion therefore that future steps should aim to:

- i) liberalise and improve the environment for industry and business inside the EU,
- ii) remove non-essential regulations and interventions that undermine the position of EU industry vis-à-vis its competition on the global market,
- iii) utilise the potential of research, development and innovation;
- 4. Notes that the vast majority of our industrial market is made up of small and medium-sized enterprises, and that the latter play a leading role in stimulating local economic growth and creating employment that is not vulnerable to relocation: any integrated strategy on the future of European industries should therefore focus primarily on an enhanced approach toward SMEs as the key to economic competitiveness and territorial cohesion and, at least to some extent, on the operating conditions for global players, who are important to the regions as well as being central to Europe's international competitiveness; calls for further simplification of the procedures for obtaining EU funding, and for SMEs to be direct beneficiaries of such funding;
- 5. Stresses the importance of the full implementation of the Small Business Act as a means of reducing the administrative burden and fostering the role of SMEs in the internal market; welcomes the establishment of a permanent SME Forum on access to financing opportunities and calls for an integrated strategy that will genuinely make it easier for SMEs to obtain financing within the EU;
- 6. Emphasises that the global economic crisis is affecting employment rates all over Europe, thus worsening the socio-economic prospects of the EU and increasing regional disparities; in this respect, emphasises that the existence of a competitive, diversified, fair and sustainable industrial sector based above all on efficient and competitive SMEs is essential for the future of workers Europe-wide; advocates making good use of the experience and abilities of older workers in preparing the ground for younger generations;
- 7. Stresses that the expansion in times of crisis of the hidden economy and undeclared activities is an important factor in distortion of competition; calls on the competent authorities in the Member States to take the necessary action to combat this phenomenon;
- 8. Calls for a new approach to a sustainable industrial policy, as acknowledged by the EU 2020 Strategy, and highlights the need for an integrated industrial strategy to be developed by the Commission together with the European Parliament and the Council in regular consultation with industries themselves, in accordance with the provisions laid down in the Better Regulation strategy;
- 9. Points out that regional and local public authorities actively help to support industry by making grants to innovative firms and offering training and upskilling programmes for workers; notes that structural funding can be used to co-finance such programmes, and is of the opinion that their role in industrial policy at regional and local level should be further stepped up to help achieve the objectives of the EU 2020 Strategy;



- 10. Is concerned about firms' limited uptake of structural funding for the purpose of financing innovative projects; takes the view that managing authorities should focus on raising firms' awareness of the operational programmes and providing them with whatever help they need to launch their projects;
- 11. Notes that the reinforcement of constructive dialogue with stakeholders is a key action for implementing good practices among European industries and for enhancing the joint monitoring and evaluation of anticipated measures, based on a regional approach;
- 12. Recognises that research and innovation is a need shared by the whole spectrum of industry, and is of the opinion that the EU's various instruments for cohesion, research and innovation should be implemented in an integrated manner to ensure their effectiveness; emphasises the need to seek synergies between these instruments;
- 13. Stresses the need to support SMEs engaged in innovative activities by means of policies and actions coordinated at national and European level and closely geared to the development requirements of industrial and economic stakeholders, with a view to implementing more widely the results of research and innovation so as to develop the competitive potential of EU industry;
- 14. Emphasises the relevance of the regional level in addressing research and innovation, owing to the proximity of actors such as universities, public research organisations, SMEs and industries, promoting partnership in knowledge transfer and the exchange of good practices between regions; in this regard, calls on the Commission to invest in innovation clusters and networks, including small and medium-sized ones, through the full involvement of stakeholders and enhanced cooperation with the European Investment Bank and within the framework of a permanent industrial policy task force;
- 15. Calls, therefore, for concerted efforts to use and build on the scientific and technological skills which are already available in the regions, in particular in the area of key technologies, and for more emphasis to be placed on cluster policies;
- 16. Emphasises that regional structures make a significant contribution to strengthening industry in Europe; for this reason, more effective support should be given to innovative clusters and networks, in particular in the area of key technologies, with a view to promoting knowledge transfer and research, the improvement of skills and the development of infrastructure in a coordinated manner;
- 17. Points out that the increase in regional disparities in terms of research and development potential is a challenge that has to be addressed not only in the framework of cohesion policy but also through research and innovation policy; in this respect, calls, in addition to research funding, for a reallocation of funding within the same operational programmes in order to support innovation and to enhance the deployment of research into marketed solutions for society;
- 18. Points out that the roll-out of appropriate digital infrastructures and innovative technologies is a strategic element for increasing the competitiveness of EU regions and industries; that the ICT sector plays a key role in enhancing the productivity of other industrial sectors; that modern communication infrastructures with high transmission

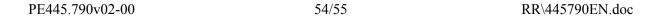
- capacity should primarily be built in underserved regions; and that this could result in a favourable environment for public and private investment and, importantly, would help raise the digital literacy standard of business;
- 19. Stresses the importance of a well-balanced and sustainable resource efficiency plan alongside moves towards the creation of an integrated and liberalised EU energy market as the primary tools for driving EU industries towards a competitive industrial strategy; points out that the EU should view this as a challenge and consequently seek to develop a regional innovation policy based on the objective potential of each region, particularly in the sphere of sustainable industrial policy; emphasises that environmental standards on raw and auxiliary materials, as well as on security of energy supplies and transport, should lead to enhanced social, economic and territorial cohesion instead of increasing the distance between central and peripheral regions, taking special account of the outermost regions and the islands and their needs; calls, therefore, for the development in these regions of an industrial policy capable of promoting their sectors with the greatest potential, such as tourism, renewable energies and research and innovation activities relating to the maritime and agricultural sectors;
- 20. Stresses that the world business environment is continuously changing, necessitating suitable investment in the development and adaptation of transport, communications and energy infrastructures and services, so as to meet present and future challenges;
- 21. Notes that an integrated strategy for EU industries should focus on overcoming the skill shortages; in this respect, emphasises the need for coordinated initiatives to improve the dissemination of information and the teaching of STEM subjects (science, technology, engineering and mathematics) at all levels, whilst promoting additional coordinated and targeted higher qualifications; stresses the need for a global approach aimed at improving professional skills in the fields of renewable energies, clean industrial processes and transport; calls on the Member States to include vocational qualifications for entrepreneurship in university programmes and other higher education courses; emphasises that the European Social Fund must adapt to the changing requirements of the industrial sector;
- 22. Emphasises that sustainable and fair development in the industrial sector can be better achieved by Member States through the principle of reciprocity of commercial policies; notes that regional network structures and competitive clusters should not be adversely affected by dissimilar commercial rules and provisions which have a particular impact on SMEs;
- 23. Highlights the regional differences in industrial development and calls for these too to be fully incorporated into the new sustainable industry policy; furthermore, calls on the Commission to adopt an integrated multi-level governance approach and reiterates the need to take account of the different social and economic circumstances in European regions, as well as variations in creative and innovative capacity and entrepreneurial spirit;
- 24. Stresses the importance of the tourism industry in the EU, which is the world's foremost tourist destination, and in certain regions where it is the mainstay of the economy; supports the Commission's strategy for boosting the competitiveness of the tourism



industry by means of measures relating to quality, sustainability and the enhancement of Europe's image as a tourist destination;

25. Stresses that well-organised multi-level governance is essential for an effective European industrial policy in the era of globalisation.

Date adopted	30.11.2010
Result of final vote	+: 40 -: 1 0: 2
Members present for the final vote	Charalampos Angourakis, Sophie Auconie, Jean-Paul Besset, Victor Boştinaru, Zuzana Brzobohatá, Alain Cadec, Francesco De Angelis, Tamás Deutsch, Danuta Maria Hübner, Filiz Hakaeva Hyusmenova, Juozas Imbrasas, María Irigoyen Pérez, Seán Kelly, Evgeni Kirilov, Constanze Angela Krehl, Jacek Olgierd Kurski, Petru Constantin Luhan, Elżbieta Katarzyna Łukacijewska, Ramona Nicole Mănescu, Riikka Manner, Iosif Matula, Erminia Mazzoni, Lambert van Nistelrooij, Wojciech Michał Olejniczak, Markus Pieper, Tomasz Piotr Poręba, Monika Smolková, Georgios Stavrakakis, Csanád Szegedi, Nuno Teixeira, Michail Tremopoulos, Viktor Uspaskich, Hermann Winkler, Joachim Zeller
Substitute(s) present for the final vote	Vasilica Viorica Dăncilă, Jens Geier, Andrey Kovatchev, Elisabeth Schroedter, Dimitar Stoyanov, László Surján, Evžen Tošenovský, Derek Vaughan, Sabine Verheyen



Date adopted	27.1.2011
Result of final vote	+: 48 -: 0 0: 2
Members present for the final vote	Jean-Pierre Audy, Zigmantas Balčytis, Ivo Belet, Jan Březina, Reinhard Bütikofer, Maria Da Graça Carvalho, Giles Chichester, Pilar del Castillo Vera, Christian Ehler, Ioan Enciu, Gaston Franco, Adam Gierek, Norbert Glante, Fiona Hall, Jacky Hénin, Romana Jordan Cizelj, Lena Kolarska-Bobińska, Béla Kovács, Judith A. Merkies, Jaroslav Paška, Miloslav Ransdorf, Herbert Reul, Teresa Riera Madurell, Amalia Sartori, Francisco Sosa Wagner, Konrad Szymański, Britta Thomsen, Evžen Tošenovský, Claude Turmes, Niki Tzavela, Marita Ulvskog, Vladimir Urutchev, Adina-Ioana Vălean, Kathleen Van Brempt, Alejo Vidal-Quadras, Henri Weber
Substitute(s) present for the final vote	Antonio Cancian, Rachida Dati, Ilda Figueiredo, Françoise Grossetête, Andrzej Grzyb, Jolanta Emilia Hibner, Yannick Jadot, Oriol Junqueras Vies, Bernd Lange, Vladko Todorov Panayotov, Peter Skinner, Silvia- Adriana Ţicău, Catherine Trautmann
Substitute(s) under Rule 187(2) present for the final vote	Marit Paulsen