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*Plenary sitting*

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**B9-0086/2023**

25.1.2023

## **MOTION FOR A RESOLUTION**

to wind up the debate on the statements by the Council and the Commission

pursuant to Rule 132(2) of the Rules of Procedure

on an EU strategy to boost industrial competitiveness, trade and quality jobs  
(2023/2513(RSP))

**Christian Ehler**  
on behalf of the PPE Group

**B9-0086/2023**

**European Parliament resolution on an EU strategy to boost industrial competitiveness, trade and quality jobs (2023/2513(RSP))**

*The European Parliament,*

- having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640),
  - having regard to the Commission communication of 10 March 2020 entitled ‘A New Industrial Strategy for Europe’ (COM(2020)0102),
  - having regard to the Commission communication of 5 May 2021 entitled ‘Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe’s recovery’ (COM(2021)0350),
  - having regard to the International Energy Agency report of December 2022 entitled ‘How to Avoid Gas Shortages in the European Union in 2023’,
  - having regard to the Commission communication of 24 September 2020 entitled ‘A Capital Markets Union for people and businesses – new action plan’ (COM(2020)0590),
  - having regard to resolution of 15 September 2022 entitled ‘Implementation of the Updated New Industrial Strategy for Europe: aligning spending to policy’<sup>1</sup>,
  - having regard to its resolution of 15 January 2020 on the European Green Deal<sup>2</sup>,
  - having regard to its resolution of 25 November 2020 on a new industrial strategy for Europe<sup>3</sup>,
  - having regard to Rule 132(2) of its Rules of Procedure,
- A. whereas the prime medium-term objective of European industrial policy is to enable European industry to implement the energy, climate, environmental and digital transitions, while preserving its competitiveness on the global market, maintaining jobs in Europe and strengthening its ability to innovate and produce in Europe, particularly with regard to clean technologies;
- B. whereas in a changing geopolitical world, it is vital to reduce European dependence on third countries for critical and strategic materials, products and technologies, as well as to provide for affordable and secure energy for its industries;
- C. whereas the EU is home to world-leading research institutions, engineering companies

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<sup>1</sup> Texts adopted, P9\_TA(2022)0329.

<sup>2</sup> OJ C 270, 7.7.2021, p. 2.

<sup>3</sup> OJ C 425, 20.10.2021, p. 43.

and a highly skilled labour force, making it a world leader in industrial innovation;

1. Regrets that the EU has, once again, acted in reaction rather than proactively, and that only because of the Inflation Reduction Act (IRA) in the US and higher energy prices did Europe's industrial competitiveness become a priority on the European political agenda; believes that this should be a permanent, top EU priority if the EU wants to maintain its role as a central player in the global arena; is convinced that the Green Deal will not succeed if it does not deliver sufficient and good jobs in Europe; believes that unfair competition from the US and China goes to the heart of the Green Deal and that the EU needs to create a 'War Room' or special operation centre within the Commission for Green Deal investments to speed up decisions;
2. Highlights that European industry is part of an open, export-oriented, capital intensive, social market economy that can only deliver prosperity for European citizens if it is competitive on and open to the global market; emphasises that this competitiveness needs to be fostered in a distinctly European fashion, based on a truly functioning single market that provides a level playing field for competition, and with respect for national sovereignty;
3. Believes that a functioning EU single market cannot be built on protectionist measures or subsidies, but instead needs to be built on a policy and regulatory framework that promotes the single market as an attractive investment destination to ensure that the green and digital transition can take place;
4. Restates its support for the EU's 2030 and 2050 environmental objectives, while recognising that the path towards these objectives needs to be based on a realistic plan to maintain European industrial competitiveness along the way;

### ***Industrial policy***

5. Highlights that regulating demand for low-carbon and decarbonised products and services in Europe does not guarantee that the demand will be met by European supply; considers that the regulatory agenda of the European Green Deal should have therefore originally included a real plan to ramp up European supply of low-carbon and decarbonised products and services; welcomes the Council's call on the Commission to develop a competitiveness agenda for Europe;
6. Takes note of Commission President von Der Leyen's announcement of a net-zero industry act; welcomes this initiative as it provides a renewed opportunity for the Commission to develop a real industrial policy that fosters European industrial competitiveness; is hesitant about the legislative nature of the initiative, considering that European industry needs less regulation rather than more;
7. Stresses that a functioning EU single market is an important asset to strengthen industrial resilience, Europe's attractiveness as an investment destination and the competitiveness of the EU, as well as to enhance the twin transitions as a basis for new growth in industrial sectors;
8. Notes that industrial operational expenditure in Europe is high compared to global competitors and that this is driven by high energy prices, a high regulatory burden and

the costs of our social model; strongly believes that we cannot compromise on our social model; concludes, therefore, that it is of existential importance that the EU bring down the cost of energy and drastically reduce the regulatory burden on our industry;

9. Recalls the importance of capitalisation instruments to support small and medium-sized enterprises (SMEs); expresses its concern about the fact that, according to the Commission's forecasts, the SME allocation in InvestEU will be exhausted by 2025, which highlights the need to increase it; recalls the importance of reviewing the InvestEU Regulation<sup>4</sup> in order to broaden the scope of capital support through InvestEU to help enterprises that have suffered from the impacts of the Russian invasion in Ukraine, the energy crisis, inflation and the IRA; highlights that, in order to increase absorption capacity and help channel green investments in the right direction, planning capabilities needs to be developed and strengthened at Member-State level;

### *Energy prices*

10. Emphasises that energy costs have been one of the key factors negatively impacting the ability of European industry to compete on the global market; notes that while production and design quality and being a leader in innovation are a solid basis for competitiveness, operational expenditure is also essential; highlights that the importance of operational expenditure in terms of competitiveness is greater for commodity products than for high-end or highly innovative products; ; considers that the European economy cannot provide jobs and prosperity by only depending on high-end or highly innovative production; is concerned that the additional pressure on operational expenditure caused by high energy prices is undermining European industrial competitiveness and good jobs in Europe; calls for further efforts to lower energy prices for European industry in the short term;
11. Takes note of the December 2022 estimation of the International Energy Agency that European and global natural gas markets are not yet out of the danger zone and that additional factors (including that Russian supplies could fall further, liquefied natural gas markets will be tight and unseasonably mild temperatures may not last) indicate a gas supply-demand gap of 57 bcm, which is only partly covered by current initiatives; calls on the Commission and the Member States, in this context, to take all necessary measures and use all available energy sources to make affordable energy available to European industry; calls on the Commission to come up with additional plans to ensure secure and affordable energy supplies for next winter;
12. Underlines that to avoid a situation with sudden and steep increases in energy prices and a disruption of supplies in the future, Europe needs to act now and step up strategic investments in its energy infrastructure; considers that this requires completing the Energy Union, strengthening and deepening the internal European energy market, developing the still-lacking interconnections between Member States for gas, hydrogen and electricity and investing in the energy grids of the Member States; underlines the importance of kick-starting the hydrogen market by making hydrogen production faster and less bureaucratic, as well as by urgently developing a plan to create a backbone for hydrogen infrastructure and to implement carbon capture and storage/utilisation

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<sup>4</sup> Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

solutions; believes that carbon contracts of difference should be considered as means to speed up investments;

### ***Regulatory burden***

13. Highlights the need to reduce unnecessary administrative burdens for companies, especially SMEs and start-ups, while maintaining the highest standards for consumers, workers and health and environmental protection;
14. Continues to support the ‘one in, one out’ principle to stabilise the regulatory burden in the EU at the current level; believes, however, that this level is still too high and calls on the Commission to develop a more ambitious Better Regulation agenda, which should lead to at least a 20 % reduction of the regulatory burden for European industry;
15. Supports the primary regulatory agenda of the European Green Deal, including the Fit For 55 package, as it sets out a clear regulatory framework for European industry to deliver on the EU’s 2030 and 2050 objectives; notes that compliance with these regulations will require significant investments from European industry at a time in which it is also facing historically high energy prices and inflation; believes, therefore, that any further regulatory pressure to invest should be avoided in order to ensure that our industry can invest in the 2030 and 2050 objectives, while maintaining its competitiveness. calls, in this context, for a halt to any increase in the regulatory burden and calls on the Commission to reconsider its legislative agenda by postponing all legislative proposals that will impact our industry and that are not urgently needed; welcomes, in this context, the outcomes of the negotiations on the Emissions Trading System and the Carbon Border Adjustment Mechanism, notably that Parliament’s push for a later phase-out was successful, creating breathing space for our industry to invest in the green and digital transitions;
16. Highlights the importance of the innovation principle and regulatory experimentation in unleashing Europe’s innovative potential;

### ***State-aid/competition policy***

17. Is deeply convinced that the strong regulation of State aid in the single market is an essential part of Europe’s economic well-being, as it facilitates robust competition on a level playing field free of distortions;
18. Is profoundly worried about the processing time required for setting up important projects of common European interest, as well as about the long waiting time for Commission decisions on State-aid notifications; calls on the Commission to reform and streamline the notification system so that any notification that has not received a negative reply within six months is automatically approved;
19. Stresses that EU competition rules and State aid rules should be simplified and should allow for flexibilities in order to achieve Europe’s strategic objectives; regrets that the recent update of the Guidelines on State aid for climate, environmental protection and energy did not live up to that standard;
20. Considers that the definition and analysis of the relevant market for the purposes of

merger control cases need to be reviewed to better take into account developments on an international level and to allow the creation of European champions in strategic sectors;

21. Notes that existing State aid rules should be made more agile, particularly as regards transformative technologies and energy infrastructure investments, and should allow for experimentation with tax credits; insists, nevertheless, that all decisions should be taken in a coordinated manner to preserve the functioning of the single market; believes that those Member States that cannot afford tax rebates should be able to take necessary funds from their structural funds;

### ***Trade policy***

22. Stresses that, to maintain and increase the competitiveness of Europe's industries, the EU should increase trade opportunities; considers it important, in this regard, that the EU partner up with countries that can fulfil our supply needs without exploiting EU dependencies; calls for the urgent ratification of the free trade agreements that have been finalised and that are still under negotiation;
23. Notes that important steps have been taken to advance the transatlantic trade agenda along a positive, forward-looking path, since the EU-US summit in June 2021, notably the setting up of the EU-US Trade and Technology Council to strengthen our cooperation and deliver concrete outcomes in the short term and beyond in order to promote strong, resilient, and reliable transatlantic trade relations; underlines that a priority for the EU is to achieve outcomes that facilitate trade in the transatlantic marketplace in concrete ways;
24. Is convinced that a strong export solution in the context of the reforms of the Carbon Border Adjustment Mechanism and the EU Emissions Trading System is necessary, especially in the wake of the US IRA;
25. Stresses that we need to deliver permanent solutions to bilateral disputes, notably by fully normalising transatlantic trade in steel and aluminium and by finding an agreement on a global sustainable arrangement on steel and aluminium;
26. Stresses the need for an urgent reform of the World Trade Organization to ensure its effectiveness and preserve the rules-based global trade system;
27. Stresses the need to build Green Deal diplomacy with a dedicated envoy to identify strategic partnerships that would allow our economy better access to critical raw materials;
28. Underlines the importance of implementing foreign investment screening more quickly to create resilience and strengthen strategic supply chains;

### ***IRA response***

29. Recognises that the US IRA poses a challenge to Europe as an investment destination for industry, because it offers more attractive investment incentives for clean technology production; highlights that the US IRA methodologically challenges

Europe's approach to the green transition, because it creates a business case for an industrial transformation towards sustainability, while the EU Green Deal has so far failed to deliver this, stresses therefore that the EU needs to strengthen the incentivising parts of its legislative framework;

30. Calls on the Commission and the Member States to swiftly assess the potential impact of the IRA on European industry and its competitiveness, taking into consideration the current challenges as regards stretched supply chains and the high costs of energy, transport and raw materials; calls on the Commission to work with the USA to make the implementation of the IRA as compatible with European interests as possible, especially to ensure that the EU is covered by the exceptions provided for in the IRA for countries with a free trade cooperation and that European products are eligible for tax credits in the same way as US products, and to ensure full transparency; calls on the Commission to work with like-minded countries to influence the implementation of the IRA, especially in strategic sectors like the automotive sector; underlines that the EU should be ready to file a complaint against the IRA through the dispute settlement system if it continues to be discriminatory in its implementation;
31. Highlights that it is important for the EU to lead on strategic technologies; underlines that the EU cannot and should not compete on state subsidies with the USA and China; highlights the multiple advantages of operating through the EU budget rather than through uncoordinated national action; points out the need to mobilise available money from EU funds and programmes as a first step to strengthen the EU technology base, skill sets and other initiatives that enhance EU competitiveness;
32. Highlights that new political initiatives, objectives and tasks funded through the EU budget, including both EU-wide and cross-border projects, must be financed with additional fresh money; points out that any new additional funds, both in the medium and long term, should be incorporated into the multiannual financial framework (MFF). calls therefore on the Commission to carry out a clear assessment of the costs and investment gaps in the context of the IRA and to take the assessment into account in the in-depth revision of the functioning of the current MFF; highlights the MFF midterm revision as a timely and unique opportunity to incorporate any new funds into the EU budget;
33. Urges the Commission to develop a plan for European industrial competitiveness with the aim of ensuring a level playing field across the EU, taking into account specific impacts from the IRA but also the structural weaknesses of European industrial policy that the IRA brought to light, most notably the failure of the European Green Deal to create a business case for industrial transformation in Europe; believes that this plan should address a halt to any increase in the regulatory burden and a renewed Better Regulation agenda that lowers the regulatory burden for European industry by 20 % and a 'Made in EU' strategy, particularly for SMEs, including a revision of public procurement rules in Europe, particularly for the regional level, in order to unleash public procurement as a way to strengthen the EU industrial base in strategic sectors; calls on the Commission and Member States to ensure that the resources provided for in the Recovery and Resilience Facility are used to the maximum extent possible under the existing legislative framework to address the funding gaps identified in the context of the IRA, such as the lack of cross-border energy infrastructure projects;

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34. Instructs its President to forward this resolution to the Commission, the Council, the governments and parliaments of the Member States and candidate countries, the EU Agency for Fundamental Rights, the Court of Auditors, the Committee of the Regions, the European Economic and Social Committee, for distribution to subnational parliaments and councils, the Council of Europe and the United Nations.