



Plenary sitting

B9-0110/2023

8.2.2023

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))

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on behalf of the S&D Group

**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 Treaty on the Functioning of the European Union, in particular to Articles 9, 151, 152 and 153(1) and (2) thereof, as well as to Article 173 thereof which concerns EU industrial policy and refers to, among other things, the competitiveness of the Union's industry,
- 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 19 February 2020 entitled 'Shaping Europe's digital future' (COM(2020)0067),
- 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 10 March 2020 entitled 'An SME Strategy for a sustainable and digital Europe' (COM(2020)0103),
- having regard to the Commission communication of 11 March 2020 entitled 'A new Circular Economy Action Plan – For a cleaner and more competitive Europe' (COM(2020)0098),
- having regard to the Commission communication of 8 July 2020 entitled 'A hydrogen strategy for a climate-neutral Europe' (COM(2020)0301),
- having regard to the Commission communication of 14 October 2020 entitled 'A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives' (COM(2020)0662),
- 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 Commission communication of 14 July 2021 entitled "'Fit for 55": delivering the EU's 2030 Climate Target on the way to climate neutrality' (COM(2021)0550),
- having regard to the opinion of the European Economic and Social Committee of 19 January 2022 entitled 'Industrial ecosystems, strategic autonomy and well-being',
- having regard to the opinion of the European Committee of the Regions of 2 December 2021 entitled 'Updating the 2020 New Industrial Strategy: Building a

stronger Single Market for Europe's recovery'¹,

- having regard to the Commission staff working document of 5 May 2021 entitled 'Annual Single Market Report 2021' (SWD(2021)0351),
- having regard to the Commission staff working document of 5 May 2021 entitled 'Strategic dependencies and capacities' (SWD(2021)0352),
- having regard to the Commission staff working document of 5 May 2021 entitled 'Towards competitive and clean European steel' (SWD(2021)0353),
- having regard to the Council conclusions of 17 December 2020 on making the recovery circular and green,
- having regard to its resolution of 15 January 2020 on the European Green Deal²,
- having regard to the European Pillar of Social Rights (EPSR), proclaimed by the European Council, Parliament and the Commission in November 2017, to the Commission action plan of 4 March 2021 on the implementation of the European Pillar of Social Rights and to the Porto Declaration on social affairs adopted by the members of the European Council in May 2021,
- having regard to its resolution of 25 November 2020 on a New Industrial Strategy for Europe³,
- having regard to its resolution of 16 December 2020 on a new strategy for European SMEs⁴,
- having regard to its resolution of 10 February 2021 on the New Circular Economy Action Plan⁵,
- having regard to its resolution of 19 May 2021 on a European Strategy for Hydrogen⁶,
- having regard to its resolution of 19 May 2021 on a European strategy for energy system integration⁷,
- having regard to its resolution of 24 November 2021 on a European strategy for critical raw materials⁸,
- having regard to its resolution of 15 September 2022 entitled 'Implementation of the

¹ OJ C 97, 28.2.2022, p. 43.

² OJ C 270, 7.7.2021, p. 2.

³ OJ C 425, 20.10.2021, p. 43.

⁴ OJ C 445, 29.10.2021, p. 2.

⁵ OJ C 465, 17.11.2021, p. 11.

⁶ OJ C 15, 12.1.2022, p. 56.

⁷ OJ C 15, 12.1.2022, p. 45.

⁸ OJ C 224, 8.6.2022, p. 22.

Updated New Industrial Strategy for Europe: aligning spending to policy'⁹,

- having regard to the European Parliament resolution of 15 December 2022 entitled 'Upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges'¹⁰,
- having regard to the agreement adopted at the 21st Conference of the Parties to the UN Framework Convention on Climate Change (COP21) in Paris on 12 December 2015 (the Paris Agreement),
- having regard to the Commission communication of 30 September 2020 entitled 'A new ERA for Research and Innovation' (COM(2020)0628),
- having regard to the Commission communication of 18 January 2022 on a European strategy for universities (COM(2022)0016),
- having regard to the Commission communication of 26 January 2022 entitled 'Establishing a European Declaration on Digital rights and principles for the Digital Decade' (COM(2022)0027),
- having regard to Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme 2030¹¹,
- having regard to the Commission communication of 5 March 2020 entitled 'A Union of Equality: Gender Equality Strategy 2020-2025' (COM(2020)0152),
- having regard to the Commission communication of 9 December 2021 entitled 'Building an economy that works for people: an action plan for the social economy' (COM(2021)0778),
- having regard to the Commission communication of 30 September 2020 on achieving the European Education Area by 2025 (COM(2020)0625),
- having regard to the Commission communication of 1 July 2020 entitled 'European Skills Agenda for sustainable competitiveness, social fairness and resilience' (COM(2020)0274),
- having regard to Commission Recommendation (EU) 2021/1749 of 28 September 2021 entitled 'Energy Efficiency First: from principles to practice – Guidelines and examples for its implementation in decision-making in the energy sector and beyond'¹²,
- having regard to the UN Intergovernmental Panel on Climate Change Sixth Assessment Report of 4 April 2022 entitled 'Climate Change 2022: Mitigation of Climate Change',

⁹ Texts adopted, P9_TA(2022)0329.

¹⁰ Texts adopted, P9_TA(2022)0450.

¹¹ OJ L 323, 19.12.2022, p. 4.

¹² OJ L 350, 4.10.2021, p. 9.

- having regard to the Commission communication of 1 February 2023 entitled ‘A Green Deal Industrial Plan for the Net-Zero Age’ (COM(2023)0062),
 - having regard to Rule 132(2) of its Rules of Procedure,
- A. whereas the Union requires an industrial plan that will make its industries more globally competitive, autonomous, resilient and environmentally sustainable, as well as driven by knowledge-based innovation and equality principles, while maintaining high levels of employment and high-quality and inclusive jobs;
 - B. whereas the Union’s industrial strategy should ensure the correct functioning of the single market, avoid market distortions and create a level playing field inside and outside the EU; whereas the Green Deal Industrial Plan should cover the twin transitions of European industries to digitalisation and climate neutrality, prioritising the transition to zero-emission production processes and the implementation of zero-emission technologies, the necessary regulatory framework to enable the twin transitions, providing the necessary infrastructure, the ‘energy efficiency first’ principles, energy savings and renewable energy technologies, including the appropriate level of investments, easier access to finance, support to strengthen the European value chain in clean technologies, research and innovation, and the swift and cost-effective deployment of breakthrough technologies;
 - C. whereas the Russian invasion of Ukraine and its consequences, including the rises in energy prices and inflation, have created unprecedented economic turmoil and a cost-of-living crisis in Europe, whose evolution is highly uncertain and that risks exacerbating inequalities and social tension in the European Union, particularly among disadvantaged groups;
 - D. whereas trade, in times of crisis, has contributed to recovery and boosted economic growth and job creation; whereas industry requires stable and predictable rules to ensure a level playing field and to combat unfair practices, and for it to be able to prosper both within the EU and internationally;
 - E. whereas on 19 January 2023, the Commission, the Member States and 26 partner countries launched ‘The Coalition of Trade Ministers on Climate’, the first ministerial-level global forum dedicated to trade and climate and sustainable development issues, aiming to foster global action to promote trade policies that can help address climate change through local and global initiatives;
 - F. whereas the Commission has set out a series of new policy initiatives with potentially significant budgetary implications; whereas the combined effect of multiple crises, low multiannual financial framework (MFF) ceilings and burdensome procedures governing the adoption or revision of the MFF has led to the generation of ad hoc instruments outside the EU budget, as well as to greater use of external assigned revenue not subject to the budgetary procedure, all combined without a common fiscal policy;
 - G. whereas the essential new policy initiatives that have been put forward since the adoption of the current MFF have made proposals either to shift money away from – or to re-purpose money within – agreed EU programmes, policies and objectives;

- H. whereas education, vocational training and higher education have a global and relevant impact on the quality of the industry of the future and on the achievement of environmental and climate goals; whereas the university community plays a key role in terms of innovation and research in industry;
- I. whereas redeployments are not a viable way to finance the Union's priorities and constitute a de facto change to the agreed MFF;
- J. whereas Parliament should always play the role of budgetary authority in any budgetary environment in order to ensure democratic accountability and transparency for the remainder of the current MFF;
1. Acknowledges the Commission's recent statements on the Net-Zero Industry Act and the Green Deal Industrial Plan, which are intended to stimulate clean technologies in the EU and secure the open strategic autonomy of the Union by reducing dependence on non-EU countries in key sectors;
 2. Stresses that the Commission has focused more on relaxing existing regulation than on ensuring that the workforce is safeguarded and equipped with adequate skills to cope with the challenges of the twin transitions and on ensuring that stronger environmental requirements and corporate accountability for social, environmental and climate damage are adequately complied with;
 3. Understands the need to develop an EU industrial plan to promote a sustainable and competitive industrial sector in the Union; believes that the green transition can stimulate competitiveness; considers that the single market should serve as a tool to achieve these objectives;
 4. Regrets the fact that the Green Deal Industrial Plan is not consistent with the need for a just transition; underlines that the transformation to a net-zero economy should include clear commitments for industries to reduce energy and resource consumption by 2030, to increase energy efficiency and to convert their value chains through sustainable product design and production processes, research and innovation, and the re-use, recycling and repair of goods and resources;
 5. Stresses the importance of increasing cooperation between the European institutions and the Member States to foster the position of European industry in the world, creating a competitive and sustainable industrial base in line with the 2030 greenhouse gas reduction target and the 2050 climate neutrality target; underlines that quality job creation, a high level of consumer protection, social protection, properly functioning public services, the rule of law, gender equality and geographical balance play an important role in ensuring prosperous industrial activities and in attracting foreign investments in this context;
 6. Welcomes the efforts to mitigate the impact of the crisis and the consequences of the Russian invasion of Ukraine; calls on the Commission to ensure that the upcoming legislative and non-legislative proposals are fair and socially just; is convinced that industrial policy must rely on a strong social pillar and address the social consequences of structural change in a timely manner;

A predictable, coherent and simplified regulatory environment

7. Calls on the Commission to elaborate an effective strategy to redeploy, relocate and re-shore industries in Europe, diversifying supply chains and reducing greenhouse gas (GHG) emissions, taking into account the positive spill-over effects across Member States; calls, moreover, on the Commission to adopt a stronger stance and instruments on tackling unfair global competition, such as that caused by unjustified State aid in third countries for lowering the costs of production, and which also lowers labour and environmental standards and health and safety requirements;
8. Underlines that an effective European industrial policy needs to be based on a regulatory framework that sets an overall emissions reduction trajectory towards the Union's 2050 climate and net-zero GHG emissions targets, in line with the Paris Agreement and with clear five-year interim targets and indicators; considers that all sectors should contribute to the achievement of the Union's climate objectives and, in this regard, underlines the importance for the Commission to develop sector-specific pathways setting out the actions needed to reach these objectives and ensuring policy coherence; stresses that these climate pathways must enhance long-term investor certainty and regulatory predictability, and serve as guidelines for future policy actions, which, in turn, must orient future industrial and investment decisions;
9. Highlights the importance of low energy prices to gain competitiveness in companies, particularly those in energy-intensive industries; underlines that electricity users should benefit from the lower costs of renewable energy; welcomes the next reform of the electricity market design; regrets the Commission's delay in acting on the electricity market reform; considers it necessary to reduce volatility, give correct price signals to integrate renewables and improve transparency by eliminating loopholes that allow the manipulation of electricity markets;
10. Welcomes the initiatives on critical raw materials (CRMs), which are geared towards strengthening crucial markets in a sustainable way; highlights that more coordination and joint efforts are necessary to develop resilient and diversified supply chains in order to meet the demand for current and future CRMs for the EU's industrial needs, to avoid supply chain disruptions and reduce dependency, and to maintain high social and environmental standards; highlights that the initiative should prioritise the reuse and recycling of CRMs; calls on the Commission and the Member States to establish an EU agency to be put in charge of mapping mineral resources in the EU, assessing imports, exports and the global supply of and demand for CRMs, as well as of managing strategic stockpiling and monitoring the sourcing of CRMs; underlines the importance of a circular economy based on the recycling of materials and the development of alternative, and, in particular, renewable materials; calls on the Commission and the Member States to create strategic partnerships with like-minded countries that can secure a stable supply of CRMs; highlights the need for a clear regulatory framework that promotes local production, the deployment of sustainable materials and greater circularity in sectors with high GHG emissions, such as the construction sector;
11. Regrets the fact that the Commission does not take into account the size of companies in EU, 99 % of businesses being small and micro enterprises, without the appropriate human and skills resources to navigate a complex legislative landscape, the financial

capabilities to wait for permitting procedures to be completed and the resources to devote to internationalisation, skills development or innovation;

12. Highlights the fundamental role of research and innovation (R&I) in supporting European industry's digital and technological efforts, and in fostering Europe's leadership in key digital technologies and their use across value chains and industrial platforms, such as the Chips Act; highlights the need for all industrial sectors to embrace the digital revolution aimed at creating and transforming new business models, new concepts and technologies, and new quality jobs;
13. Highlights the importance of the science- and innovation-led sustainable growth agenda, which promotes economic openness, social sustainability and innovation-friendly markets; stresses that it should be based on a holistic approach, and needs an ambitious policy mix with higher investment levels, including private and foreign direct investments, in R&I, greater synergies between R&I and structural funds, also in order to combat inflation, which can be an obstacle to innovation, and the renewal of European industry, both in new promising sectors and in mature sectors to support them in their transition;
14. Calls on the Commission to tailor its industrial strategy to the scaling-up and commercialisation of breakthrough technologies in the Union to bridge the gap between innovation and market deployment, by providing risk financing for early-stage technology and demonstration projects, and by developing early value chains to provide support to prioritise commercial-scale, zero-emission technologies and other environmentally sustainable products above others; encourages the Commission and the Member States to develop one-stop shops with streamlined information on financing opportunities for industrial demonstration projects for breakthrough technologies and in order to help companies and investors to find technology, knowledge and talent from European universities and research and technology centres, with the support of existing services such as Euraxess and the European Enterprise Network (EEN);
15. Underlines the key role of the digital sector in contributing to the transformation of the industrial sector, both as a source of clean technology solutions and the optimisation of industrial processes and in terms of minimising its environmental impact; given the high consumption of energy and resources connected with information and communication technologies (ICT), asks the Commission to assess the potential environmental impact of the massive development of digital solutions and to put energy efficiency and circular economy requirements at the heart of the development of digital technologies and data centres; asks the Commission to propose concrete avenues for digital solutions to serve the sustainable and just transitions, and to establish a methodology for monitoring and quantifying the increasing environmental impact of digital technologies;
16. Underlines that the strength of the single market lies with its ability to apply and enforce harmonised legislation, therefore avoiding the fragmentation of the Union into 27 different national markets; stresses that ensuring a level playing field within the Union is key to ensure that all individuals in the Union can benefit equally from the single market;
17. Believes that consumer behaviour plays an important role in stimulating the industrial

transition; encourages, therefore, greater transparency for consumers regarding the environmental and carbon footprint of end products over their whole life-cycle, as well as on recycling content and socially just production processes; welcomes, in this context, the Commission's proposal to empower consumers for the green transition, which aims to increase transparency on products' sustainability and to tackle the issues of 'greenwashing' and early obsolescence; considers, however, that additional initiatives are needed to properly empower consumers and calls on the Commission to present its proposal on the right to repair as soon as possible; calls, furthermore, on the Commission to continue assessing the best means to steer consumers' behaviour to favour clean and fair products and technologies, and to ensure that sustainable products, in line with the requirements of eco-design legislation, become the norm in the internal market, boosting the supply of and the demand for sustainable goods, while increasing transparency on products' sustainability through the creation of a digital product passport;

18. Notes that European standards will be used to promote the roll-out of key technologies; believes that European standards play a very important role in the functioning of the single market and can enhance the competitiveness of European industry, reduce costs and improve safety, as well as increase productive and innovative efficiency; recalls, however, that participation in standardisation bodies can be unequal and that all relevant stakeholders, including SMEs, consumer organisations, trade unions and environmental and social stakeholders should be represented in order to ensure a balanced representation of all interests at stake;
19. Welcomes the use of public procurement to steer industry's efforts towards a more sustainable economy; considers that the social and sustainability criteria defined at Union level should be strengthened and better implemented, which would help stimulate the sustainable transition in a harmonised and coordinated manner across the Member States;
20. Recognises the contribution of the social economy to the green and digital transitions, as also set out in the transition pathways for the proximity and social economy ecosystem published by the Commission; points out that social economy entities contribute through the supply of sustainable goods and services, and by fostering participatory business models which take into account the needs of citizens, employees and other stakeholders, helping to guarantee a fair and inclusive transition; welcomes the concrete actions identified in the transition pathways to support the social economy and harness its contribution for the green and digital transitions, and encourages all relevant stakeholders to continue with an ambitious implementation of the social economy action plan;

Speeding up access to finance

21. Asks the Commission to ensure that EU investments and funding initiatives contribute to the achievement of the Union's 2030 and 2050 climate objectives and promote alternative business models, prioritising social and environmental goals;
22. Calls on the Commission and the Member States to ensure that the recipients of Union funds respect applicable Union and national law and practices on social and labour

rights, environmental policies and legislation, taxation and the rule of law; calls on the Member States to ensure that public financial support provided to firms in order to combat the economic effects of the pandemic and of the Russian invasion of Ukraine, and to adapt to the net-zero age is conditional upon the funding being used to benefit employees and the recipient firms refraining from paying bonuses to management, paying out dividends or offering share buy-back schemes for as long as they are receiving this support; calls on the Commission not to be lenient with State aid for profitable companies and to ensure that any State aid should be returned if a company makes profits within the next 10 years;

23. Highlights the need to ensure fast permitting procedures and predictability to set up new facilities and to improve the sustainability of existing ones as quickly as possible, while keeping the administrative burden to a minimum; in this context, encourages the Commission and the Member States to treat applications for supporting measures related to the planning, construction and operation of facilities in the most rapid manner possible and insists on the need to appoint an authority which will facilitate and coordinate the permit-granting processes and appoint a coordinator, serving as a single point of contact for the project; in addition, where the establishment and operation of these facilities is considered as being of overriding public interest, that assessment should be consistent in other relevant Union environmental and social legislation;
24. Considers it essential for the proposal on the new European Sovereignty Fund to respond to real needs, to be based on a clear assessment of the costs and investment gaps, to map existing funds, including the Recovery and Resilience Facility and the current MFF, to utilise, to the greatest extent possible, existing funds that have not been utilised yet and to provide fresh money; reiterates that the European Sovereignty Fund must not be created at the expense of cohesion funds, as they aim to enhance competitiveness and job creation in the long term, and insists that every instrument established after the current MFF must be funded with additional money; insists that any new fund should be established according to the ordinary legislative procedure and be incorporated into the MFF, thereby ensuring full oversight by Parliament; considers that the MFF ceilings should be adjusted to accommodate all new funds, political initiatives, objectives or tasks funded through the EU budget;
25. Recalls that a fragmented approach to State aid has the potential to create an uneven playing field within the EU internal market, as not all Member States have the same fiscal space to provide support; calls, therefore, for an impact assessment of the proposed changes to the State aid framework on the single market, for *ex ante* and *ex post* monitoring of potential distortive effects and for any flexibilisation of the State aid framework to be applied solely to State aid provided at European level; reaffirms that EU State aid rules must ensure a level playing field both now and in the future, and should not reduce or stifle competition within the single market;
26. Supports the creation of a European Sovereignty Fund as an opportunity to establish a system of EU State aid that prevents the risk of internal market fragmentation inherent to decentralised State aid systems; stresses that this fund can only be fit for purpose if it also mobilises fresh money, which, if needed, could be debt-financed;
27. Is of the opinion that the flexibilisation of the Temporary Crisis and Transition

Framework (TCTF) should only apply to aid provided by the European Sovereignty Fund and the Recovery and Resilience Facility;

28. Stresses that any additional State aid should be targeted and temporary, and should be consistent with EU policy objectives such as the Green Deal and the Pillar of Social Rights; highlights that projects of common European interest should also be aligned with these goals, and should have genuine European added value, which means that they should have a positive impact on more than one Member State;
29. Understands that the future TCTF could support the deployment of tax benefits; highlights that tax credits mostly benefit profitable firms; recalls that such incentives are limited for very large firms¹³ thanks to the minimum effective tax rate of 15 % agreed at both global and EU level; considers that a similar floor for tax competition should be put in place for other large firms, following the definition of Directive 2013/34/EU¹⁴ with a view to directing tax benefits to SMEs as a priority;
30. Supports the Commission in developing a common scheme for tax benefits; recalls that the effectiveness of tax incentives depends on their design, and therefore:
 - a. insists that a common scheme must propose a framework on tax incentives that does not have a distortive impact on the single market, in particular by favouring incentives that are cost-based, limited in time, regularly assessed, repealed in if they have no proven positive impact, limited in geographical scope and which include partial rather than full exemptions;
 - b. warns against tax incentives focusing on intangibles in relation to R&D and strongly insists that any support to R&D is safeguarded with strong provisions against aggressive tax planning;
31. Insists that, if tax incentives are deployed on a large scale, that they should not be made available to large firms making excess profits, defined as profit in excess of 10 % of revenue profitability (i.e. profit before tax/revenue);
32. Recalls that the expected return to the full application of the Stability and Growth Pact at the end of 2023 would further constrain the fiscal space available to Member States unless the underlying legislative framework is reformed comprehensively in the course of the current year; considers that enabling Member States to mobilise strategic investments, including in the decarbonisation of industry, must be a key objective in the reform of the EU fiscal framework; believes that a review of the EU's economic governance framework is necessary;
33. Stresses that beyond the temporary framework, a broader debate on the future of

¹³ Multinational firms that meet the EUR 750 million threshold as determined under Article 2 of Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union (OJ L 328, 22.12.2022, p. 1).

¹⁴ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

competition policy is needed; acknowledges the revision of the General Block Exemption Regulation; highlights that, in general, the approval time for State aid has to be further speeded up; considers that the competition policy framework should be brought fully into line with the Green Deal's objectives and should adequately involve Parliament; considers that EU competition policy protects market structures against concentrations and accumulations of market power, just as it promotes consumer welfare; calls for a reform of the EC Merger Regulation¹⁵ in order to create more competitive markets in Europe; calls on the Commission to make use of all available tools under competition law to tackle market distortions and unfair price manipulation in the energy and food markets;

34. is of the opinion that the adaptation of the State Aid Framework should be in line with the Union's 2030 and 2050 climate objectives, to support businesses and workers in the context of the increase in unfair competition at international level; underlines the need for the EU to mobilise considerable amounts of public funding to reach its objectives and to remain competitive vis-à-vis third countries, while also avoiding stifling competition in the single market, as well as subsidy races and potential distortive effects within the EU's internal market; encourages the Commission to clarify, in its revision of State aid provisions, the conditions for Important Projects of Common European Interest (IPCEIs), including for industry and energy transition projects in new and existing plants;
35. Calls on the Commission to ensure that sufficient resources are made available for research and innovation, including the Horizon Europe programme, in order to gain or maintain global leadership in strategic industrial sectors and with regard to certain technologies, particularly those with high value added; calls on the Commission to propose a properly constructed and adaptable MFF so that the design of the EU budget enables the EU to take on new tasks and functions without diverting resources from agreed programmes and priorities; calls, furthermore, on the Commission to ensure full coordination of all research funds, programmes, institutions and tools in order to steer the different streams of action towards the common goals of the twin transitions, as well as of open strategic autonomy;
36. Considers it important to promote sustainability throughout all production chains, including through public and private financing sources; emphasises, furthermore, the importance of climate- and biodiversity-proofing investments, including the funds from the MFF, ensuring that Union funds deliver on the Union's climate and biodiversity and are not used in a way contrary to its climate or environmental objectives;
37. Calls for an increase in the ceiling of Heading 1 on the grounds that the margins are insufficient to accommodate the greater needs; highlights that many of the policy ambitions recently set out – notably in the fields of energy and strategic and industrial autonomy – and the new policy initiatives since January 2021 (such as the Chips Act, Secure Connectivity, the Health Emergency Preparedness and Response Authority and the New European Bauhaus) should entail additional spending under Heading 1; recalls that new political initiatives, objectives or tasks funded through the EU budget must be

¹⁵ Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (OJ L 24, 29.1.2004, p. 1).

financed with additional fresh money and not through redeployments to the detriment of pre-existing Union programmes or policies agreed by the legislator;

38. Reiterates the importance of ad hoc supporting measures addressed to SMEs, through sound financial support in the MFF mid-term revision; considers that SMEs should be further supported through accessible tools characterised by rapid, agile and SME-friendly procedures, avoiding administrative burdens and obstacles, and ensuring access to finance and the necessary liquidity; asks the Commission to allocate dedicated funding to SMEs and start-ups that focus their operations and business plans on the digital and ecological transformations, in particular enhanced circularity, resource and energy efficiency and savings, and a switch to renewables;
39. Highlights that new own resources are a key enabler for the Union to implement its policy priorities; stresses that the introduction of such new own resources would assure sustainable financing of the EU budget on a long-term basis in order to avoid new EU priorities being financed to the detriment of existing EU programmes and policies; believes that introducing new own resources, as agreed in the legally binding Interinstitutional Agreement of 16 December 2020¹⁶, will achieve lasting benefits; in this context, urges the Commission and the Member States involved in the negotiations on enhanced cooperation to do their utmost to reach an agreement on the financial transaction tax before the end of June 2023, the revenues of which could gradually evolve towards EUR 57 billion per year; asks, furthermore, the Commission to be even more ambitious and come forward with proposals for new genuine own resources;

Enhancing quality sustainable jobs in Europe

40. Stresses that the European industrial strategy should contribute to strengthening the European social model by ensuring that all workers have the same rights, decent working and employment conditions, and decent wages; further highlights the importance of access to training and the reskilling of workers in industries and sectors that need to undergo fundamental changes with a view to a green and digital transition; stresses that qualifications and certified competences provide added value to workers, improving their position on the labour market, and can be transferred in labour market transitions; calls for public policy on skills to be oriented towards the certification and validation of qualifications and competences; stresses that skills-based compensation systems should be established in companies accessing public funds for upskilling workers and in agreement with workers' representatives, as this system would ensure a return on that public investment, and points out that identifying strategic competences will strengthen the Union's competitiveness;
41. Calls on the Commission and Member States to carry out a check of the social conditions in the US Inflation Reduction Act and consider possible conditions for State aid, such as stipulating that in order to receive State aid, companies must commit to investing in skills and thus contribute to the skilled workforce our economy needs; calls, in this context, on the Commission and the Member States to create positive incentives for companies to take on apprentices;

¹⁶ OJ L 433 I, 22.12.2020, p. 28.

42. Calls for the EU industrial plan to create synergies and connections with mainstream education policies owing to the high impact of this sector; stresses the need to coordinate with the European strategy for universities in order to foster cooperation with the industrial ecosystem, in particular through the implementation of strategic research and innovation actions; stresses the importance of vocational training in order to have qualified staff with green and digital skills in industries;
43. Calls on the Commission and the Member States to establish the necessary conditions and requirements in order to achieve at least 80 % coverage of collective bargaining, in line with the legislation on adequate minimum wages in the EU; calls on the Commission to introduce a new framework directive on workers' information, consultation and participation for European company forms, including subcontracting chains and franchises, and for companies that use European company mobility instruments, in order to establish minimum standards, including on anticipating change and restructuring, in particular at company level; also calls for a revision of the European Works Council Directive to ensure, inter alia, proper enforcement, access to justice and effective sanctions for violations of the rules and to improve the functioning of the special negotiating body, including a transnational information and consultation process to be properly conducted and completed before any decisions are taken;
44. Calls on the Commission and the Member States to establish the necessary conditions and requirements in order to have at least 80 % of corporations covered by sustainable corporate governance agreements by 2030, establishing strategies agreed with workers in order to positively influence environmental, social and economic development through governance practices and market presence, improve directors' accountability as regards integrating sustainability into corporate decision-making and promote corporate governance practices that contribute to company sustainability, with reference, inter alia, to corporate reporting, board remuneration, maximum wage-ratio difference, board composition and stakeholder involvement;
45. Calls on the Commission to robustly enforce the social clause of the existing EU Public Procurement Directive and to examine whether it needs to be revised, in order to strengthen social clauses in public contracts, requiring economic operators and subcontractors to fully respect workers' right to collective bargaining and to set conditions for the full implementation of the applicable sectoral collective agreements and the working conditions described therein, while at the same time respecting national labour market traditions and models; calls for any such revision to exempt all social and welfare services from the procurement obligations and establish a European exclusion mechanism to exclude primary contractors and subcontractors who repeatedly engage in unfair competition and tax fraud; calls on the Member States to ensure compliance, monitoring and enforcement;
46. Highlights the key role that European industry can play in actively engaging to promote ambitious environmental and social objectives, including human rights; reiterates the need for the EU to equip itself with an overarching and mandatory due diligence framework for industry to identify, prevent, mitigate and account for environmental and social risks, impacts, abuses and harm, in its domestic and global activities, and across value chains, in order to provide clarity on minimum standards and create a level playing field; stresses that this framework should protect workers' rights such as the

right of association, the right to collective bargaining and the right to health and safety, social protection and good working conditions, and should ensure the full involvement of trade unions and workers' representatives in the whole due diligence process, guaranteeing the right to reach collective agreement at the relevant levels on due diligence policies; highlights that both national labour inspectorates and the European Labour Authority must be able to conduct joint inspections throughout the chain, be open to filing complaints and able to offer support for compliance in relation to all EU companies and companies seeking to access the internal market; calls on the Commission to insist on the ratification of International Labour Organization Conventions No. 81 (labour inspection) and No. 129 (labour inspection in the agricultural sector) by all trading partners of the EU and to insist on successful implementation by all EU Member States of these conventions;

Trade and resilient supply chains

47. Urges the Commission to closely work with the EU's trading partners to reform the World Trade Organization (WTO) and deliver on a more sustainable, inclusive, gender-balanced and green agenda, secure a level playing field, avoid a subsidy race and unfair competition when striving to reach those goals and to make sure there is a functioning dispute settlement body to enforce the rules agreed on multilaterally;
48. Calls on the Commission to deliver an ambitious bilateral agenda, ensuring that free trade agreements come with strong sustainable development chapters, which include high labour standards in line with International Labour Organization conventions and environmental and climate change commitments, and, as a last resort, enforceable sanctions; in this context, calls on the Commission to engage with Mercosur countries to agree on a binding additional instrument that addresses labour rights, climate issues and deforestation in line with the new trade and sustainable development approach; stresses the importance of swiftly signing and ratifying the trade and association agreements with Mexico, Chile and New Zealand; reiterates its calls for a high level of ambition in the agreement with Australia, and calls for negotiations on a bilateral investment agreement with Taiwan to be launched urgently;
49. Asks the Commission to make full use of EU Trade Defence Instruments, the International Procurement Instrument and enforcement regulations to secure a level playing field and fight against unfair practices by trading partners, in order to boost EU industry's competitiveness and deliver on a strong green and social agenda; is committed to a swift adoption of the EU's anti-coercion instrument;
50. Underlines the importance of implementing the provisions of the Foreign Direct Investment Screening Regulation more quickly in order to create resilience and strengthen strategic supply chains;
51. Expresses concerns about the provisions of the US Inflation Reduction Act, which discriminate against EU companies and urges the Commission to work with the US Administration to find a solution that is WTO-compatible within the Inflation Reduction Act Task Force;

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52. Instructs its President to forward this resolution to the Council and the Commission.