28.2.2022

DRAFT REPORT

on the Implementation of the Updated New Industrial Strategy for Europe:
aligning spending to policy
(2022/2008(INI))

Committee on Industry, Research and Energy

Rapporteur: Tom Berendsen
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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Implementation of the Updated New Industrial Strategy for Europe: aligning spending to policy (2022/2008(INI))

The European Parliament,

– having regard to the Treaty on the Functioning of the European Union, in particular Articles 9, 151, 152, 153(1) and (2) thereof, as well as 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 Treaty on European Union, in particular to Article 5(3) thereof and to Protocol No 2 thereof on the application of the principles of subsidiarity and proportionality,

– 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 8 July 2020 entitled ‘A hydrogen strategy for a climate-neutral Europe’ (COM(2020)0301),


– 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’,


– 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 27 May 2019 on an EU industrial policy strategy: a vision for 2030’,

– having regard to the Council conclusions of 16 November 2020 on a recovery advancing the transition towards a more dynamic, resilient and competitive European industry,

– 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 its resolution of 17 April 2020 on EU coordinated action to combat the COVID-19 pandemic and its consequences3,

– having regard to its resolution of 25 November 2020 on a new industrial strategy for Europe4,

– having regard to its resolution of 16 December 2020 on a new strategy for European SMEs5,

– having regard to its resolution of 10 February 2021 on the new circular economy action plan6,

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1 OJ C 97, 28.2.2022, p. 43.
6 OJ C 465, 17.11.2021, p. 11.
– having regard to its resolution of 19 May 2021 on a European strategy for hydrogen⁷,
– having regard to its resolution of 19 May 2021 on a European strategy for energy system integration⁸,
– having regard to its resolution of 24 November 2021 on a European strategy for critical raw materials⁹,
– 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 Rule 54 of its Rules of Procedure,
– having regard to the opinions of the Committee on International Trade, the Committee on the Internal Market and Consumer Protection, the Committee on Transport and Tourism and the Committee on Regional Development,
– having regard to the report of the Committee on Industry, Research and Energy (A9-0000/2022),

A. whereas it is crucial to enable industry to implement the energy and digital transitions while preserving jobs, competitiveness and its ability to develop and produce clean products;

B. whereas in a changing geopolitical world, reducing EU dependencies on critical materials, products and technologies is vital;

C. whereas the EU is home to world leading research institutes, companies and skilled people and has the potential to be a world leader in industrial innovation;

1. Welcomes the update of the industrial strategy; stresses that for the Green Deal to be a true growth strategy, reduce dependencies and maintain a level playing field for European industry during the transition, it needs to be accompanied by ambitious industrial policy;

2. Underlines that the EU cannot be dependent on non-EU countries for products and technologies that are essential to our economy and for our society of the future; stresses that the EU needs to regain a strong position in crucial global value chains and secure the supply of critical materials in times of crisis;

3. Calls on the Commission to present clear transition pathways for the industrial ecosystem as soon as possible, including by identifying the needs for a successful transition in terms of infrastructure, technologies and skills; calls on the Commission to ensure consistency and coordination across all initiatives, objectives, funding and regulatory instruments that will support industry through the transitions; calls for annual monitoring and reporting on the competitiveness and resilience of our industrial

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⁷ OJ C 15, 12.1.2022, p. 56.
⁸ OJ C 15, 12.1.2022, p. 45.
ecosystems and on the progress made on the transition pathways, so that instruments can be adapted swiftly when needed;

4. Notes that the EU is outperformed by other economic powers in research and development (R&D) expenditures as a percentage of GDP; reiterates the importance of an ambitious level of investment in R&D; regrets that the target of 3 % of GDP investments in R&D has still not been achieved in the vast majority of Member States;

5. Calls on the Commission to close the investment gap with global competitors for key enabling technologies; welcomes, in this regard, the Commission’s proposal for a European Chips Act\(^\text{10}\) and the establishment of the European Alliance for Industrial Data, Edge and Cloud; calls on the Commission to extend these initiatives to key enabling technologies, such as photonics and quantum;

6. Stresses the need to strengthen ‘Made in EU’ and accelerate the adoption of Industry 4.0 technologies, particularly by small and medium-sized enterprises (SMEs); calls on the Commission to embed the ‘Made in Europe’ partnership strongly in the Horizon Europe programme;

7. Welcomes the Commission’s announcement issuing guidance on public procurement; stresses that public procurement is an essential instrument for national and economic security and for supporting the uptake of and demand for clean products; calls, in this regard, on the Commission to review public procurement and competition rules where needed;

8. Highlights the importance of including education, upskilling and reskilling in the transition pathways; calls on the Commission to develop a strategy for vocational education and business-education partnerships within regional industrial clusters to boost skills and enhance the uptake of ready-for-market innovations by SMEs;

9. Underlines that SMEs and start-ups are playing a central role in the digitalisation of the EU and are a critical source of innovation; stresses the need to improve their access to financing;

10. Stresses the need for regulatory stability and predictability; calls on the Commission to include roadmaps in the transition pathways to reduce administrative burdens for European businesses, especially SMEs, by at least 30 %; stresses the ‘one in, one out’ principle;

11. Underlines the regional dimension of industrial policy and the role of regional smart specialisation strategies; calls on the Commission to include instruments to increase the use of ‘Made in EU’ at a regional level;

12. Calls on the Commission to stimulate the production of affordable and abundant renewable and low-carbon energy; calls on the Commission to increase the coordination of the planning and financing for needed electricity, energy, hydrogen, CO\(_2\) and heating/cooling infrastructure;

\(^{10}\) COM(2022)0046.
13. Calls on the Commission and the Member States to bring down the time needed to issue permits substantially and create fast-track permitting procedures for infrastructure that supports industry in the energy transition;

14. Calls on the Member States and the Commission to accelerate the implementation of instruments, including important projects of common European interest, and industrial alliances that develop innovative breakthrough technologies needed for the energy transition, such as clean steel, clean aviation, e-fuels, clean fertilisers, e-cracking and small modular reactors;

15. Welcomes the Commission analysis on strategic dependencies and capacities; calls on the Commission to finalise the analyses and technology roadmaps as soon as possible and propose actions to reduce dependence on the identified critical products and supplies; highlights the necessity of a strategy based on further in-depth analysis of mutual dependencies to strengthen the EU’s capacity in critical value chains;

16. Calls on the Commission to broaden the scope of the Observatory of Critical Technologies to include continuously monitoring, evaluating and reporting on resilience indicators for EU industries, such as mutual dependencies in key technologies, strategic dependencies and foreign subsidies in strategic sectors;

17. Is strongly concerned about unfair competition, investments and takeovers by non-EU state-financed companies on the single market, especially in strategic sectors; calls on the Commission to analyse and prevent this interference;

18. Calls on the Commission to broaden the framework for foreign direct investment to address the effect of foreign subsidies on economic security in the EU and of technology transfers by EU companies in non-EU countries in strategic sectors;

19. Is concerned about the increasing dependence on non-EU producers for security equipment in vital and sensitive parts of our society, such as (border) security; stresses the need to earmark security technology and equipment as a strategic sector; calls for an action plan to boost this EU industry, including through adapted public procurement rules;

20. Highlights the conclusions of the European Court of Auditors report on delays in implementing 5G networks and the risks associated with non-EU vendors; calls on the Commission to stimulate a coordinated 5G roll-out in the EU and reduce dependencies and interference risks in 5G and next generation communication technology;

21. Welcomes the European data spaces initiative; underlines the role that data spaces play for smart manufacturing; believes that the participation of non-EU companies in EU data space initiatives waters down the goal of strengthening the EU’s digital sovereignty;

22. Calls on the Commission to introduce measures to prevent non-EU ownership of EU

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notified bodies, which are designated by an EU country to assess the conformity of certain products before being placed on the market;

23. Instructs its President to forward this resolution to the Council and the Commission.
EXPLANATORY STATEMENT

European industries are crucial for the prosperity of our societies of today and tomorrow. They do not only provide 35 million jobs, but also create and produce innovations, sustainable materials and the products we need for our economy and society of the future.

To address climate change we need a fast energy transition, accelerated research and development in new technologies and processes, and a quick adoption and implementation of the necessary solutions. The Rapporteur believes that competitive and innovative European industry policy is a necessity in order to achieve the ambitious EU climate goals.

The EU needs to deliver on its promise of the Green deal to be a growth strategy, fostering both the green and the digital transition. A central aspect will be the creation of a framework of cooperation between industry and Member States that enables world leading European innovations to be developed, deployed and exported. This results not only in effective reduction of emissions but also in simultaneous development of the technologies, goods, and services our society and the rest of the world need. This is creating a true European growth strategy.

The plans for EU’s industrial transformation present several challenges. It is clear that, throughout the transition, the EU and its Member States need to commit to facilitate, coordinate and defend industry where needed. To make change happen, tailor-made solutions and instruments need to be put in place, which suit the different industrial ecosystems that exist in the European Union.

With public commitment on clean energy infrastructure investments, a strategic innovation programme, reduction of administrative burden and the use of public funds, we also expect reciprocity by long-term commitment of receiving companies to invest in their regions, their people and their environment to benefit local societies.

Competitive & Clean

Boosting industrial competitiveness in the European Union is a necessity in a fast-paced changing world. The EU is home to world leading research institutes, companies and highly skilled people. European companies have great potential for the creation of jobs, exports and sustainable growth. The European strengths in global value chains need to maintained and enhanced in a world where the geopolitical reality is changing.

European cooperation between industry, universities and other educational institutions, research & innovation entities and governments are crucial in order to roll out the needed infrastructure and develop the necessary breakthrough technologies to produce everyday necessities such as clean steel, clean chemicals, clean fertilizer, e-fuels, solar panels, wind turbines and essential medicines. We need transition pathways for each ecosystem that form a common agenda for the development and deployment of these breakthrough technologies.

A separate and enormous challenge is to assure that we can meet the energy needs for our industries in the future. It has become clear that renewable energy produced in Europe cannot do it alone. Therefore, we need to engage in ‘Energy Diplomacy’ with other countries to
ensure for instance supply of synthetic fuels.

Resilient

The COVID-crisis further opened our eyes to the fact that the European Union is too dependent on other parts of the world for crucial products and resources. For too long our approach to domestic production prioritized short-term costs over security, sustainability and resilience. We cannot let the availability and affordability of products and technologies that are essential in our economy and for our society of the future be heavily dependent on other parts of the world. The European Union has to regain a strong position in crucial global value chains and secure the supply of critical materials in times of crisis.

For too long the EU has ignored the reality that China, Russia and other nations play by a different set of rules. Some countries are not shy of using strategic public investments combined with sheltering to create industrial champions. It is not possible in the EU to state-finance all sectors, that is why a defensive toolbox is needed to maintain the level playing field of European industry on our own market, combat disruptive foreign subsidies, prevent unfair competition of foreign state-subsidized companies and protect crucial European sectors and technologies. This should be accompanied by bold strategic interventions to strengthen EU capabilities.

A competitive, clean and resilient industry is crucial for next generations in the European Union.
The following list is drawn up on a purely voluntary basis under the exclusive responsibility of the rapporteur. The rapporteur has received input from the following entities or persons in the preparation of the draft report:

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