



2020/2076(INI)

18.9.2020

OPINION

of the Committee on Legal Affairs

for the Committee on Industry, Research and Energy

on a New Industrial Strategy for Europe
(2020/2076(INI))

Rapporteur for opinion: Gilles Lebreton

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SUGGESTIONS

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

- A. whereas the new industrial strategy for Europe must reflect the EU's values and social market traditions and bring about its sovereignty;
 - B. whereas a further updated European intellectual property policy will help to strengthen the EU's technological and digital sovereignty, with intellectual property rights determining market value and the competitiveness of European companies, such as through brands, designs, patents, data, know-how and algorithms;
 - C. whereas Article 107 of the Treaty on the Functioning of the European Union provides that certain State aid may be considered compatible with the internal market if it promotes the execution of an important project of common European interest;
1. Notes that the Commission's proposal on a new industrial strategy was published at the very beginning of the COVID-19 crisis and has since been complemented by a further package of recovery measures for Europe's industry and small and medium-sized enterprises (SMEs); notes that the strategy focuses on business recovery in a first phase and reconstruction and transformation in a second phase;
 2. Calls on the Commission and the Member States to maximise the potential of the Just Transition Fund in order to promote investments in new sustainable employment opportunities and implement cross-cutting educational, training and vocational policies and programmes aimed at supporting the upskilling and reskilling of workers, job seekers and people outside the labour market, while ensuring equal access to all without discrimination;
 3. Considers that the EU requires a clear, industry-oriented vision for 2030 and should keep in mind that coordinated decisions and action are needed at all levels – European, national and local – to safeguard the overall competitiveness of European industry;
 4. Notes that the COVID-19 pandemic and the resulting economic crisis have made it necessary to revise unrealistic EU climate targets, particularly in sectors such as industry and energy;
 5. Notes that the COVID-19 crisis has had a profound economic and social impact, especially on women; calls on the Commission to address the persistent gender inequalities across the EU by carrying out gender impact assessments in all investments and policy decisions relating to the EU's industrial strategy and by adopting measures to guarantee equal opportunities and access to the labour market, eradicate the gender pay gap and ensure a gender balance at all levels of decision-making;
 6. Notes that this crisis has demonstrated the need for the EU to adjust its industrial strategy by strengthening the defence of its strategic interests without abandoning international trade and to update certain provisions, going beyond the opportunities

provided by the Regulation on the screening of foreign direct investments¹; believes that the EU must strike the right balance between protecting its markets and keeping them open, while defending fair competition rules at a global level;

7. Highlights the significant role played by public procurement in shaping the trajectory of European industry and stresses that enforcing the principles of reciprocity between the Member States and non-EU countries and a level playing field for EU and non-EU companies and their products, for example regarding State aid, environmental rules and child labour, should be a precondition for participating in public procurement tenders throughout the EU; underlines the necessity of further simplifying public procurement procedures for EU companies and the governments of the Member States;
8. Believes that the rules that govern competition in the EU should be modernised to suit both the European single market and the global economic context, with a view to enabling ‘European champions’ to emerge and to compete and succeed globally, and to supporting the EU and its Member States to maintain technological leadership, gain digital and technological sovereignty, and block hostile takeovers of strategic EU companies by non-EU states or actors backed by those states;
9. Stresses that the EU’s labour market must be at the heart of its future industrial strategy; points out that any industrial transformation, in addition to economic aspects, should focus on retaining and creating employment;
10. Advocates an assessment of the economic impacts of the COVID-19 crisis within individual sectors so that industrial strategy can be adapted on the basis of proven facts;
11. Emphasises that major and sustained investment in higher professional education, in particular in science, technology, engineering and mathematics (STEM) subjects, will be key to stimulating digital innovation, producing a skilled workforce and reducing skills mismatches between job opportunities and jobseekers;
12. Takes the view that the important projects of common European interest should emphasise those projects linked to the digital single market in order to bring together the public and private sector for large-scale ventures that contribute to the EU’s objectives, thereby encouraging the development of important collaborative projects which promote common European interests such as the digital transformation; welcomes an overhaul of the Commission’s guidelines in this regard;
13. Believes that the creation of a European data economy will be essential in shaping the industrial strategy for Europe; stresses that a European data economy should be human-centric, respect fundamental rights and be in compliance with privacy rules, data protection and intellectual property rights;
14. Stresses the importance of a European single market for data that addresses the challenges arising from a significant increase in the amount of data that is legally available; stresses that individuals, employees and companies in Europe should retain control over their data with the aid of secure data infrastructure and trusted value chains; considers it vital that the industrial strategy includes measures to build sovereign

¹ OJ L 79 I, 21.3.2019, p. 1.

digital infrastructures and to encourage companies to store and process their data on European soil;

15. Considers it essential to promote data sharing amongst public administrations, businesses, research institutes and the public, while respecting data protection and privacy rules, trade secrets and intellectual property rights;
16. Welcomes the Commission's announcement to propose an intellectual property action plan, which will assess the need to upgrade the legal framework in order to ensure a smart use of intellectual property rights for artificial intelligence (AI) and address the issue of counterfeited products; stresses that the purpose of such an action plan should be to uphold Europe's sovereignty and promote a global level playing field for the protection of intellectual property rights;
17. Stresses that the digital transformation will be a key driver for Europe to regain its technological and digital sovereignty and must therefore be at the heart of a new industrial strategy for Europe;
18. Considers that one of the strategic objectives should be to propose measures encouraging the development and relocation of industrial production in strategic sectors such as health, defence, digital and energy in order to ensure that the EU is not overly dependent on third countries and to help it to regain autonomy in these strategic sectors, at least in relation to essential goods such as active pharmaceutical ingredients and raw materials;
19. Stresses the need for the EU to have a trade, economic and industrial policy capable of adapting and diversifying its sources of supply as required, and for European companies to be encouraged to be flexible and capable, when needed, of urgently reorienting their production towards vital products; supports and promotes, in this regard, the need to adopt a range of measures to encourage and support SMEs in accessing and developing within the internal market;
20. Points out the persistent disparities in the levels of economic development of the Member States and regions; emphasises the need to use the measures planned for rebuilding Europe's industrial potential to even out these disparities, as an essential condition for the balanced development of the EU;
21. Stresses that Member States should be encouraged to build up sufficient stocks of certain items of emergency equipment, such as equipment needed to prevent and combat COVID-19, especially FFP2 masks and surgical masks; welcomes, in this respect, the Commission's rescEU initiative, which aims to create European added value through the coordinated procurement and distribution of emergency equipment;
22. Calls on the Commission to include in the strategy solutions and financial and legal incentives for the European pharmaceutical industry with a view to preventing medicine shortages;
23. Stresses that imported products must comply with EU safety, environmental and health standards and intellectual property law; calls on the Commission to tackle the imbalance between EU and non-EU companies, which do not have to comply with EU

environmental and labour safety regulation and are often subject to lower taxation;

24. Considers it of paramount importance to establish an EU framework on mandatory due diligence on human rights and the environment so as to ensure effective judicial remedies for the victims of corporate abuse in global value chains; welcome the Commission's commitment to submit a legislative proposal in this regard;
25. Points out that further strengthening the single market and removing existing administrative and legal barriers to free competition within the EU should be priorities in the actions taken to create a new industrial strategy for Europe;
26. Stresses that the environmental priority set out in the Commission's 'European Green Deal' should incentivise the EU to promote its own development of 'green' technologies and to introduce a carbon tax at its external borders;
27. Stresses that the Commission should continue to play a leading role in global industrial policy in the future and should therefore pursue an ambitious policy which incentivises and stimulates innovation in digitisation and prosperous technologies such as AI, robotics, and quantum and high performance computing, whose success is highly dependent on active support for investment, support for the establishment of own resources and alterations to the regulatory environment, in particular the establishment of a 'Buy European Act' for public procurement;
28. Stresses that AI has a key role to play in the European economic recovery that is urgently needed after the COVID-19 pandemic; calls on the Commission, therefore, to refrain from excessive regulation and to reduce the administrative burden when creating a legal framework for AI, in order to avoid slowing the pace of innovation and the economic growth of European businesses;
29. Points out that the EU has the scientific and economic potential to play a leading role in the global technological race, particularly in areas such as AI, big data technologies, and machine learning systems;
30. Stresses that a small number of digital service providers enjoy a dominant position in the EU and, by skilfully shifting their profits, are paying relatively little tax; calls on the Member States, therefore, in the absence of the preferred international solution through the Organization for Economic Co-operation and Development, to provide for a European digital tax for the digital economy to ensure fair competition within the digital single market;
31. Points out that the digitisation of public administration could help to significantly reduce bureaucracy for individuals and businesses; calls on the Member States, therefore, to take steps to structure their legal frameworks in such a way that the potential of such digitisation can be fully exploited;
32. Emphasises that new digital technologies such as the internet of things are changing the face of industry and that the ongoing technological revolution can play an essential role in building a modern and energy-efficient European economy;
33. Notes that SMEs play an important role in the European industrial transformation,

particularly those working in the domain of new technologies; emphasises the need for continuous support for SMEs through adequate financial support and the provision of preferential competitive conditions in the digital market, where large multinational companies from outside the EU continue to dominate; points out that the proposed provisions on copyright, access to data and innovation should take into account the fact that companies with such radically different market positions have greatly differing degrees of potential;

34. Points out that according to the Commission's report from January 2020 on the protection and enforcement of intellectual property rights in third countries, intellectual property theft, in particular by China and India, is causing significant harm to European businesses; calls for the EU and its Member States, therefore, to adopt a coordinated, efficient and effective approach in the fight against intellectual property crime;
35. Points out that a number of sectors have been severely impacted by the COVID-19 pandemic and that the industrial strategy should therefore include special measures, such as postponing measures already adopted that are placing an additional burden on these sectors;
36. Calls on the Commission to publish its intellectual property action plan as soon as possible, as it could be a crucial tool for safeguarding Europe's technological sovereignty, promoting fair global competition, improving the fight against intellectual property theft, and adapting the legal framework for intellectual property to environmental and digital challenges and opportunities;
37. Calls on the Commission to incorporate within the intellectual property action plan measures to promote the single European patent and to propose measures to prevent the abuse of patent rights by non-practising entities, with a view to creating an efficient and well-balanced patent system in the service of a competitive and fair European internal market;
37. Calls for the new industrial strategy to take into account the specific needs of less technologically advanced industrial regions, which depend heavily on solid fossil fuels and are most affected by the energy transition; stresses the need to consider the risk of job losses posed by the industrial transformation and to ensure that workers have the appropriate level of qualifications and digital competence;
38. Points out that business insolvencies often trigger a number of knock-on insolvencies and therefore welcomes the Commission's proposal for a temporary Solvency Support Instrument; calls on the Commission and the Member States to consider further suitable measures and legislative initiatives to prevent businesses from becoming insolvent through no fault of their own.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	10.9.2020
Result of final vote	+: 14 -: 4 0: 2
Members present for the final vote	Manon Aubry, Gunnar Beck, Geoffroy Didier, Angel Dzhambazki, Ibán García Del Blanco, Jean-Paul Garraud, Esteban González Pons, Mislav Kolakušić, Gilles Lebreton, Karen Melchior, Jiří Pospíšil, Franco Roberti, Marcos Ros Sempere, Liesje Schreinemacher, Stéphane Séjourné, Raffaele Stancanelli, Marie Toussaint, Adrián Vázquez Lázara, Axel Voss, Marion Walsmann, Tiemo Wölken, Lara Wolters, Javier Zarzalejos
Substitutes present for the final vote	Heidi Hautala, Emil Radev

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

14	+
EPP	Geoffroy Didier, Esteban González Pons, Jiří Pospíšil, Emil Radev, Axel Voss, Marion Walsmann, Javier Zarzalejos
RENEW	Karen Melchior, Liesje Schreinemacher, Adrián Vázquez Lázara
ID	Gunnar Beck, Jean-Paul Garraud, Gilles Lebreton
NI	Mislav Kolakušić

4	-
RENEW	Stéphane Séjourné
VERTS/ALE	Heidi Hautala, Marie Toussaint
GUE/NGL	Manon Aubry

2	0
ECR	Angel Dzhambazki, Raffaele Stancanelli

Key to symbols:

+ : in favour

- : against

0 : abstention