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Towards a more integrated approach for industrial policy

European Parliament resolution on a policy framework to strengthen EU manufacturing - towards a more integrated approach for industrial policy (2006/2003(INI))

The European Parliament,

- having regard to the communication from the Commission entitled 'Implementing the Community Lisbon Programme: A policy framework to strengthen EU manufacturing - towards a more integrated approach for industrial policy' (COM(2005)0474),
 - having regard to the Commission Staff Working Documents accompanying that communication (SEC(2005)1215, SEC(2005)1216 and SEC(2005)1217),
 - having regard to the conclusions of the Competitiveness Council of 28 November 2005,
 - having regard to the Presidency conclusions of the Brussels European Council of 23 and 24 March 2006,
 - having regard to the opinion of the European Economic and Social Committee to the aforementioned Commission communication (INT/288 – CESE 595/2006),
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on Employment and Social Affairs (A6-0206/2006),
- A. whereas the abovementioned Commission communication outlines, on the basis of a detailed screening of the competitiveness of 27 individual sectors, a work programme for industrial policy in manufacturing industries for the coming years,
- B. whereas a dynamic and highly competitive industrial sector and high social and environmental standards are the ingredients of the European model of economic development,
- C. whereas the EU manufacturing industry provides around 20% of EU output and employs some 34 million people more than half of which work in small and medium-sized enterprises (SMEs),
- D. whereas the Council recognises the importance of the manufacturing industry as a generator of new and innovative products,
1. Welcomes the Commission communication, which sets out a policy framework and an enhanced work programme for the manufacturing industries for the coming years; considers this communication a major building-block for shaping a sound and balanced industrial policy by combining concrete sectoral actions with cross-sectoral policy initiatives;
 2. Recognises the important role of the manufacturing industries in the EU; points out that

manufacturing, services and trade are strongly and increasingly interlinked in the modern business environment; strongly supports, therefore, the development of a coherent industrial policy at European level to tackle the challenges of globalisation;

3. Recalls that the EU must aspire to remain a major industrial power, and not merely confine itself to developing its services sector;
4. Considers that the EU should take care to ensure the joint development of competitiveness strategies in the industrial and service sectors and promote good practice as regards the entrepreneurial environment and entrepreneurship, including corporate social responsibility and equal opportunities for men and women;
5. Recalls that the objectives of the Lisbon strategy are minimum objectives which the Member States should commit themselves to upholding; notes that, recently, several Member States adopted national policies to strengthen manufacturing industries; believes that isolated national policies could hamper the development of a European industrial policy and that better coordination between actions taken by the Member States and Community actions could strengthen both; therefore urges the Commission and the Member States to devise mechanisms to effectively coordinate actions in this field, involving governments, industry and stakeholders at European, national and regional level;
6. Notes that, without government action, it will be impossible to establish a framework for industry which is stable and attractive and affords legal certainty; points out that the work of a modern public sector is vital for dealing with infrastructure and fostering both education and innovation;
7. Considers that the Community policy of aid and support for national industrial policies must aim to develop European Flagships for Excellence, creating synergies between the skills of local labour markets and research centres, without neglecting a political and macroeconomic environment which is geared to development, and as a means of promoting greater investment and creating wealth and high-quality jobs with rights; welcomes the fact that the Commission communication gives a definition of a European industrial policy; stresses, however, that this approach must not be purely horizontal but that there is also a need to think in sector-specific terms;
8. Reminds the Commission of the need to mainstream energy -saving and efficiency measures in all policy areas; notes that energy costs are a major factor in many industries and calls, therefore, on the Commission to propose specific measures and programmes in this respect as part of its industrial policy;
9. Supports the initiatives set out in the Commission communication; welcomes the detailed analysis of the 27 sectors and the clear focus in the recommendations; sees, however, the concrete implementation of the initiatives as the current challenge; believes that, to guarantee coherent implementation in the long term, the initiatives proposed will need to be coordinated within one directorate-general, the Directorate-General for Enterprise and Industry, and one Council configuration, the 'Competitiveness' configuration; in this respect, calls on the Commission to inform the European Parliament of the progress achieved in relation to the initiatives before the end of 2006; calls on the Commission also to consider the possibility of a systematic evaluation and regular assessment of the benefits and added value of initiatives such as high-level groups, innovation panels and

working parties in those sectors in which they operate;

10. Encourages the Commission to pay adequate attention to all sectors of the manufacturing industries and, where necessary, to fill in the gaps, both with regard to the analysis of certain sectors and to the actions to be taken, bearing in mind the high degree of regional concentration existing in some industries;
11. Recognises the need for increased competitiveness in manufacturing industries; welcomes the fact that the Commission stresses the social responsibility of business and the need for sustainable development; calls on the Commission to accord the same weight to the working environment and to the health and safety of workers as to ensuring the creation of more and better jobs;
12. Recognises that, to pursue a European industrial policy in sectors of strategic interest to Member States' economies, it is essential to strengthen existing industries, to keep the internal market open, to regulate as and where necessary, and to allow for factors related to competitiveness which could affect employment levels in many Member States, as well as supporting the modernisation of all European industry that is already competitive or could become competitive;
13. Is convinced that the future of Europe's manufacturing industries lies in increased added value and better quality; is therefore concerned that overall EU trade is still concentrated in sectors with medium-high technologies and low to intermediate labour skills; believes that education and training at all levels are key issues, both in terms of improving labour force qualifications and facilitating structural change; regrets the fact that the Commission communication does not pay enough attention to education, lifelong learning and training; urges the Member States to increase their efforts to attract more young students into technical and scientific studies;
14. Welcomes the Commission's recognition of the fact that a well-trained and flexible labour force is the EU's most important resource and competitiveness factor; calls on the EU to concentrate on enhancing skills development for workers at all levels, particularly unskilled workers;
15. Takes a positive view, furthermore, of the Commission's proposals to address the shortage of special skills facing industry through policies to promote transparency and the transfer and recognition of qualifications and to identify current needs for skills per sector and where skills shortages lie;
16. Points out that more clear-cut investment is needed to improve the skill levels of the work force, for instance by way of training-related operational programmes for science and technology aimed at guaranteeing the quality of, and diversifying, training opportunities in the various Member States;
17. Calls on undertakings to ensure the best possible training conditions for workers by providing ongoing training for their employees, with undertakings drawing up skills plans and taking responsibility in a general way for lifelong learning and the continuing training of their workers;
18. Considers that the transfer of knowledge and the application of research results in new products and processes is still too weak in the manufacturing industries, and especially in

SMEs; in this respect, sees a clear need to bridge the current gap between the research community and the market sector; is convinced that special attention must be given to jointly tackling this problem and urges the Commission and the Member States to swiftly come forward with concrete measures to solve it; to this end stresses that the possibilities offered by the Competitiveness and Innovation Framework Programme should be utilised rationally and as effectively as possible;

19. Believes that consideration should be given to the specific needs of micro and small businesses, since the problems they face cannot be compared with those facing large enterprises;
20. Recognises that schemes need to be devised to provide direct support for research activities carried out in consortia, involving companies and research units or university teams, thus enabling skills and technologies to be transferred more rapidly;
21. Emphasises, in line with the 2006 Report of the Independent Expert Group on R&D and Innovation, entitled "Creating an Innovative Europe", that State aid to companies other than SMEs is appropriate when it is granted for the purpose of encouraging cooperation with other companies, SMEs, academic institutions in 'open innovation clusters', poles of excellence, and collaborative R&D programmes;
22. Points out that the EU's prosperity depends on developing world-class innovative European industries;
23. Welcomes the concept of Technology Platforms which will provide a boost to developing lines of research which will meet the requirements of the market; believes, however, that more funding is needed for applied research leading to innovative products; in this respect, welcomes the European Investment Bank's (EIB) intention to increase substantially the financing available for growth-enhancing investments in R&D and SMEs; recalls the conclusions of the abovementioned Brussels' European Council, expecting up to EUR 30 billion in venture capital and guaranteed bank loans to support innovation and to reinforce action in R&D; encourages the Commission and the EIB, together with the private sector, to give follow-up to these conclusions in practical terms;
24. Stresses the major potential of nano-sciences and nano-technologies and urges the manufacturing industry to keep up to date with technological progress and the provisions of the 2005 to 2009 European programme of action in this field so as to be in a position to take advantages of the opportunities and new perspectives opening up for each of its sectors;
25. Stresses the problem of access to finance and venture capital, especially for innovative start-ups and SMEs; therefore, asks the Commission to closely involve the EIB and the European Investment Fund in the work of the sectoral initiatives;
26. Considers that it might be very useful to set up a high-level group to ensure that legislation concerning industry, energy, and the environment is consistent with the aim of improving sustainability and competitiveness; points out that, as well as the electricity market, the market in natural gas likewise needs to be analysed, bearing in mind that both entail far-reaching implications for some manufacturing industries;
27. Points out that the manufacturing industries are often marked by regional concentration;

therefore urges regional and national authorities, working in close collaboration with economic and social players, to draw up local strategy plans for areas which are, or have the potential to become, centres of innovative manufacturing clusters; to this end, calls for local strategy plans to be targeted at making the best possible use of the primary wealth producing sector, research potential and any comparative benefits offered by each region; calls on Member States to make full use of the possibilities in the Structural Funds in this respect;

28. Points out that future European industrial policy measures must allow not just for the sectoral dimension, but also for the territorial dimension; notes that areas with a high concentration of manufacturing industry have to have industrial and economic policies geared to their specific needs; calls on the Commission, therefore, to follow up the proposals announced in its communication by bringing further consideration to bear on the questions whether cooperation should be intensified among regions facing similar problems and challenges and how manufacturing companies in those regions might be encouraged to set up networks within which to pursue and coordinate the necessary industrial and economic policies;
29. Welcomes the Commission proposal to integrate and coordinate industrial policy with other policies, including cohesion, environmental, R&D, and energy policies; notes that cohesion policy and industrial policy are interrelated, given that infrastructure and human resources are needed to enable industrial policy to succeed and to enhance the significant role of the European Works Councils, and hence that it is essential to bring policies into a coherent relationship and secure a high degree of involvement within society;
30. Believes that sectors facing fierce international competition should jointly adopt measures to facilitate their restructuring and modernization; in this respect, cites a number of initiatives, such as LeaderSHIP 2015, CARS21 and the High-Level Group on textiles and clothing, as good examples; in view of the urgent need for action in those sectors, calls on the Commission to submit concrete proposals by Autumn 2006 with a view to their adoption by the Council, following an opinion from the European Parliament, before the end of 2006; welcomes the intention of the Commission to set up such sector-specific initiatives for the pharmaceutical, chemical, defence, space and mechanical engineering industries;
31. Is of the opinion that, as far as individual sectors are concerned, workers' trade unions, consumer associations, and employers' organisations must be involved in the debate so as to help ensure that industrial policy solutions will be better suited to their purpose and more comprehensive;
32. Stresses the importance of establishing a dialogue with all the parties concerned, and welcomes the creation of the High-Level Group on Competitiveness, Energy and the Environment;
33. Welcomes the European Globalisation Adjustment Fund; insists that it focus on helping workers made redundant due to globalisation to find new jobs, mainly by improving and adapting their qualifications;
34. Maintains that no Community aid should be granted to companies which, after receiving such support in a Member State, transfer their manufacturing operations to another country without completely fulfilling the agreements entered into with the Member State

concerned;

35. Calls for the rights of workers to be protected when manufacturing companies are restructured and hence for information to be made fully available to workers' representative bodies;
36. Points out that dialogue between management and workers has a key role to play in matters related to modernisation and in coming up with ways to anticipate and to implement the changes needed for sectors to remain or become competitive;
37. Calls on the Commission to make an in-depth analysis of the current situation of the manufacturing industries in the new Member States and the challenges ahead and to ensure that Community legislation is properly enforced; this will make it possible to obtain aggregated data for the 25 Member States and, on the basis of those data, to analyse the various sectors and draw up recommendations to guide industrial policy;
38. Calls on the Commission to take further measures in support of exporting companies and those which invest on the largest scale in research and innovation projects;
39. Urges the Commission to focus on the area of market surveillance and the fight against unfair competition and counterfeiting; invites the Commission to come forward before the end of 2006 with concrete proposals in the area of protection and enforcement of intellectual property rights; in this regard, considers that efforts need to be intensified with a view to hunting out imported counterfeit products from non-member countries and that, to unearth practices of this kind, Member States should exchange information and employ more advanced technology applications at the points where goods enter the EU;
40. Calls on the Commission to monitor and record the extent to which imported products comply with European environmental and consumer health protection legislation and affect the competitiveness of European products;
41. Stresses the importance of market access for the manufacturing industries; urges the Commission to continue its efforts, working in tandem with the sectors affected, to identify international practices which can adversely affect the competitiveness of European undertakings, particularly regulations and subsidies, and tackle barriers to trade and investment that are in breach of international rules; sees in bilateral agreements a good opportunity to overcome these challenges in a fair, transparent and forward-thinking manner and hence to make the principle of reciprocity the general rule in the Union's trading relations;
42. Stresses that legislation seeking to include environmental matters in economic policies and strategies should allow the Member States scope for flexibility in the choice of economic and financial instruments;
43. Believes that, as regards the measures to be taken, especially in the WTO, it is necessary to allow for the context obtaining in, and the specific characteristics of, each sector, the opportunities and challenges that may arise, and the difficulties posed for individual Member States;
44. Calls on the Member States and the Commission to pursue sustainable development objectives by bringing economic, social, and environmental aspects into an even balance;

45. Instructs its President to forward this resolution to the Council and Commission, and to the governments and parliaments of the Member States.