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**NOTE**

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From: Presidency  
To: Delegations  
Subject: Draft Council Conclusions on the Industrial Competitiveness Agenda

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Delegations will find attached the draft Council conclusions on the Industrial Competitiveness Agenda.

This text will be examined at the COMPCRO meeting on 22 October 2014.

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**DRAFT COUNCIL CONCLUSIONS**  
**ON THE INDUSTRIAL COMPETITIVENESS AGENDA**

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Commission's 2014 European Competitiveness Reports<sup>1</sup>;

Having regard to its Conclusions of 25 September 2014<sup>2</sup>;

**A. GENERAL INDUSTRIAL COMPETITIVENESS CONCERNS**

1. WELCOMES the Commission Competitiveness reports and ACKNOWLEDGES the policy challenges posed by slow economic and productivity growth.
2. SUPPORTS the policy objective of halting the decline in value creation in European industry and INVITES the Commission to maximize the potential for mainstreaming industrial competitiveness created by bringing together policies for internal market, industry, entrepreneurship and SMEs; In this context, WELCOMES the first report of the SME Envoys network as a contribution to the future development of the SME policy.
3. RECALLS the need for investment, particularly from the private sector, to ensure the ability of European industry to compete with other regions of the world; CONSIDERS adequate access to finance to be the single most important factor for private investment.

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<sup>1</sup> Docs. 13141/14 and 13142/14.

<sup>2</sup> Doc. 13617/14.

4. RECOGNISES the importance of public support and private financial resources, in particular risk capital, in encouraging growth, and of healthy internal and external demand conditions; ENCOURAGES Member States to use all available means to facilitate access to finance, particularly for SMEs, and to align themselves with the best practice in this area; CALLS on the Commission, the EIB and the Member States to make use of the full range of supply-side support measures to enable SMEs to find a balanced combination of loans and equity financing.
5. REITERATES that the Council in its Competitiveness formation should carry out in a more structured and systematic manner its mandate to examine all relevant proposals that have substantial effects on competitiveness:
  - by holding regular debates about the implementation of industrial competitiveness mainstreaming, taking into account all policies likely to have a substantial effect on international, EU and Member States competitiveness, based on information and data provided by the Commission;
  - by better exploiting the European and Member States' Competitiveness reports in order to take stock of industrial mainstreaming implementation in priority areas, such as access to finance, skills for innovation and targeted support measures, and to evaluate the need for action;
  - by focusing on initiatives that are likely to hamper competitiveness in the Strategic Work Programme of the Commission from 2015 onwards and regularly scrutinize the impact of these regulations on industrial competitiveness.

## **B. MAINSTREAMING SECTORAL POLICIES**

6. INVITES the Commission to take a sectoral approach to removing further barriers in the Single Market for services, starting with business services, and the value they can add to manufacturing.

7. CALLS on the Commission and the Member States to implement the Smart Specialisation Strategy, setting priorities in order to build competitive advantage by developing and matching research and innovation strengths to business needs in order to coherently address emerging opportunities and market developments.
8. INVITES the Member States to increase the added value from their research and innovation systems in an environment of scarce resources, including through adapting their measures in support of innovation to the specificities of types of innovation and businesses concerned as appropriate; EMPHASISES the importance of ensuring that research and innovation focuses on excellence, taking into account the accessibility for SMEs.
9. ENCOURAGES the European Commission to work closely with Member States towards a more competitive and transparent defence market in Europe and a stronger European defence industry, and to stimulate cooperation and synergies in dual use research and technology, in particular to support research institutes and SMEs, including in achieving cross-border market access.
10. EMPHASISES that the EU is a global leader in various fields of bioscience and biotechnologies; RECOGNISES that the transition towards a bio-economy can enable Europe to take some major steps forward in terms of the low-carbon economy, innovation and competitiveness and can enhance its role on the international scene.
11. EMPHASISES that a successful transition to a resource-efficient economy and the implementation of a sustainable industrial policy should improve competitiveness and turn environmental challenges into business opportunities and high-quality jobs; In this context, WELCOMES the Commission's Green Action Plan for SMEs<sup>3</sup>.

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<sup>3</sup> Doc. 11616/14.

12. INVITES the Commission to consider the possibility to extend the Emission Trading Scheme also to importers from third countries.
13. CALLS on the Commission to assess the impact of the energy taxation Directive on industrial competitiveness, in particular with regard to the CARS 2020 Action plan and the European automotive strategy.
14. INVITES the Council to balance the draft Regulation and Directive on Data Protection with the interests of SMEs.
15. CALLS ON the Commission and the Member States to step up their efforts to achieve a fully integrated internal energy market; EMPHASISES the importance of accessing new sources of energy, particularly in relation to the adoption of a coherent European climate and energy policy, promoting investment in new technologies to increase energy efficiency , investing in new, cross-border infrastructure and developing the necessary energy interconnections; CALLS on the Commission to take special account when designing its energy and climate policy of the exposure of energy-intensive industries to energy price differentials vis-à-vis other countries; EMPHASISES the need for new initiatives on national raw material strategies to improve governance, exploration, extraction and processing.

### **C. BUSINESS ENVIRONMENT**

16. CALLS for an ambitious and open agenda for trade and internationalization, as well as for the promotion of European and international standards, recognising that it is necessary to continue efforts to improve access to markets worldwide, facilitating the integration of European firms in global value chains including support services to enable the full participation of SMEs.

17. UNDERLINES the need for a stable, transparent and predictable regulatory framework that respects the specific needs of SMEs; and INVITES the Member States to simplify and streamline administrative procedures, especially when starting a company, applying for licenses, paying taxes, participating in public procurement, exporting and settling legal disputes.
18. ENCOURAGES the Commission to continue the ambitious agenda regarding smarter regulation, minimising regulatory burdens without compromising basic levels of protection, for example in a vertical approach to product legislation bringing together regulations from across the Commission; RECOMMENDS the Commission to work closely with Member States and stakeholders to identify further potential areas for simplification; RECOMMENDS the Commission to work closely with Member States and stakeholders to identify further potential areas for simplification; a specific platform for discussion in this context could be considered with a view to developing possible options for this approach.
19. INVITES the Commission to engage with stakeholders, particularly SMEs representatives, to deliver more services digitally and to remove all non-essential barriers to innovative market entrants; URGES the Commission to review all proposals to ensure they are innovation-friendly, taking into account the possibilities offered by digitalisation, that they avoid overly prescriptive approaches and are based on scientific evidence, where appropriate.
20. CALLS on the Commission to adopt a zero tolerance approach to non-implementation of Single Market legislation and to promote closer coordination between Market Surveillance Authorities, to ensure a level-playing field in enforcement and implementation; INVITES the Commission to present initiatives on further use of digital market surveillance and on how the increasing interface between goods and services can be further supported through the Single Market.