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Subject: Draft Council Conclusions on the Industrial Competitiveness Agenda

Delegations will find attached a revised version of the draft Council conclusions on the Industrial Competitiveness Agenda.

This text will be examined at the COMPCRO meeting on 13 November 2014.

DRAFT COUNCIL CONCLUSIONS
ON THE INDUSTRIAL COMPETITIVENESS AGENDA

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Commission's 2014 European Competitiveness Reports¹;

Having regard to the Communication on Industrial Renaissance and with a view to the presentation, by the Commission, of a roadmap implementing it²;

A. GENERAL INDUSTRIAL COMPETITIVENESS CONCERNS

1. WELCOMES the 2014 Commission Competitiveness Reports and ACKNOWLEDGES the policy challenges posed by slow economic and productivity growth. INVITES the Commission to further improve the available tools for monitoring competitiveness, its drivers and policy implications by synthesizing the outcome of existing competitiveness, innovation and better regulation studies and scoreboards, enhancing the sector perspective in these, including both a cumulative cost and benefit and international comparative perspective;
2. SUPPORTS the policy objective of halting the decline in value creation in European industry and INVITES the Commission to maximize the potential synergies created by bringing together, under one portfolio, policies for internal market, industry, entrepreneurship and SMEs, in order to strengthen policy coordination and consistency for mainstreaming industrial competitiveness in all the relevant policies; in this context, WELCOMES the presentation of the first report of the SME Envoys network as a contribution to the future development of the SME policy;

¹ Docs. 13141/14 and 13142/14.

² Doc. 5489/14.

3. RECALLS the need for investment both from the private and the public sector, to ensure the ability of European industry to compete with other regions of the world; SUPPORTS the conclusion of the 2014 Competitiveness Report that adequate access to finance is a critical factor for private investment and growth, along with stable regulatory frameworks and well-functioning labour and product markets;
4. WELCOMES the announcement by Commission President Juncker to present an investment programme within the first three months of his mandate; RECOGNISES the need for a high level of ambition and a broad scope of action along several strands of work and the need for a strong involvement of the Competitiveness Council in the drawing-up and following-up of this plan, alongside other relevant Council's configurations;
5. EMPHASISES the key role played by dynamic industrial frontrunner enterprises for the competitiveness of the European Union; ACKNOWLEDGES that frontrunners generate significant multiplier effects for growth and employment through inter-linkages with companies of all sizes including SMEs of other manufacturing and service sectors, high participation in global value chains and above-average levels of research and innovation efforts; CALLS on the European Commission to conduct a mapping exercise of industrial networks in Europe by mid-2015 in order to assess to what extent policy frameworks and instruments can be improved as to support industrial frontrunner enterprises;
6. CALLS for an ambitious and open agenda for trade and internationalization, as well as for the promotion of European standards at international level, recognising that it is necessary to continue efforts to improve access to markets worldwide, facilitating the integration and strengthening the position of European firms in global value chains including support services to enable the full participation of SMEs while at the same time standing up for the environment, workers' interests and individuals' health;

7. **UNDERLINES** the need for a stable, transparent and predictable regulatory framework that respects the specific needs of SMEs, especially micro-enterprises; **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;
8. **INVITES** the Commission to engage with stakeholders, particularly SMEs representatives, to deliver more services digitally and thereby making better use of the opportunities for cross-border activity offered by the Single Market, and to remove all unjustified or disproportionate barriers to innovative market entrants; **URGES** the Commission, through impact assessments, to review all proposals to ensure they are innovation-friendly, fit for the digital age and that they avoid overly prescriptive approaches;
9. **REITERATES** its call on the Commission for systematic monitoring of implementation and better enforcement of Single Market legislation and to promote closer cooperation between Market Surveillance Authorities, to ensure a level-playing field in enforcement and implementation; **INVITES** the Commission in close cooperation with the Member States, to ensure an enforced governance framework at EU level in order to strengthen the enforcement of single market legislation and improve the functioning of existing instruments;

B. MAINSTREAMING SECTORAL POLICIES

10. **INVITES** the Commission to take a modern, green and innovative sectoral approach to removing unjustified and disproportionate barriers to the development of enterprises by mobilising relevant policies such as trade policy, competition policy, RDI, the energy and climate framework, the Single Market, skills development, and the value they can add to manufacturing;
11. **LOOKS FORWARD** to the Commission's 2015 reports on the state of the Internal Market for services and on the principle of mutual recognition;

12. INVITES the Commission in the upcoming Roadmap to come forward with concrete proposals on how to deal with critical challenges and opportunities for European industry, including Industry 4.0 and digitalisation, the bio-based economy, resource efficiency and energy costs. In this context, WELCOMES the Commission's Green Action Plan for SMEs³ and the Commission's Communication on a circular economy⁴;
13. CALLS for sectoral initiatives to be pursued by the Commission, which should include both sectors facing economic change and high growth potential sectors;
14. CALLS ON the Commission to assess the impact of the Energy Taxation Directive⁵ on the industrial competitiveness of individual sectors;
15. INVITES the Council to take into account the interest of SMEs, particularly of micro-enterprises while drafting the Regulation and Directive on Data Protection, in particular as regards its possible impact for access to finance.

³ Doc. 11616/14.

⁴ Doc. 11592/1/14 REV 1.

⁵ OJ 283, 31.10.2003, p. 51.