



**COUNCIL OF  
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Subject: Draft Council conclusions on Industrial Policy Communication update: A  
Stronger European Industry for Growth and Economic Recovery

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Delegations will find attached the draft Council conclusions on Industrial Policy Communication update: A Stronger European Industry for Growth and Economic Recovery in view of COMPCRO Working Party meeting of 29 October 2012.

**Draft Council conclusions on Industrial Policy Communication update: A Stronger European Industry for Growth and Economic Recovery**

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING:

- The European Council conclusions of 18/19 October 2012<sup>1</sup> which acknowledge the need to enhance the competitiveness of industry as stated in the Commission communication on the update of the EU industrial policy stressing the importance of developing an integrated approach in order to strengthen industrial competitiveness to underpin growth and jobs, whilst improving energy and resource efficiency;
- The European Council conclusions of 23 October 2011<sup>2</sup>, which identified a number of key priorities for economic policy that need to be pursued in order to achieve smart, sustainable, inclusive and green growth, and its commitment to work with the Commission to ensure that all actions at the European Union level fully support economic growth and job creation;
- The Council conclusions of 5 December 2011<sup>3</sup> on the industrial policy flagship initiative - reinforcing implementation of industrial policy across the EU;

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<sup>1</sup> 156/12

<sup>2</sup> 52/11

<sup>3</sup> 18211/11

- The Communications from the Commission on "Industrial Policy Communication update: A Stronger European Industry for Growth and Economic Recovery"<sup>4</sup>, "Strategy for the sustainable competitiveness of the construction sector and its enterprises"<sup>5</sup>, "Security Industrial Policy - Action Plan for an innovative and competitive Security Industry"<sup>6</sup> and "Promoting cultural and creative sectors for growth and jobs in the EU"<sup>7</sup>;
  - The Council conclusions on Key Enabling Technologies and the European Innovation Partnership on Raw Materials<sup>8</sup>.
1. WELCOMES the Communication from the Commission entitled "Industrial Policy Communication update: A Stronger European Industry for Growth and Economic Recovery" that emphasises the importance of strengthening industrial competitiveness to underpin growth and jobs and to enable the transition to a low emission and resource-efficient economy, in order to fulfil the Europe 2020 goals;
  2. UNDERLINES the importance of EU industry competitiveness and its world leadership in many industrial sectors, and RECOGNISES the major contribution that EU industry can make to recover from the economic crisis and to strengthening the longer-term competitiveness of the EU economy;
  3. RECOGNISES the contribution of construction, security, as well as Cultural and creative sectors could have in EU industry competitiveness and INVITES the Commission together with Member States to identify and propose adapted measures for each of those sectors in order to boost their high innovation and productivity growth potential;

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<sup>4</sup> 15168/12  
<sup>5</sup> 13186/12  
<sup>6</sup> 13050/12  
<sup>7</sup> 14256/12  
<sup>8</sup> 14887/12

4. WELCOMES the Commission's intention to carry out pilot horizontal sectoral fitness checks and INVITES the Commission to take forward sectoral initiatives together with Member States and businesses to boost their high innovation and productivity growth potential of EU Industry and SMEs. EMPHASIZES that competitiveness testing has to play a prominent role to prevent further unnecessary red tape and compliance costs imposed on European enterprises by new provisions from various policy fields;
5. EMPHASISES the urgent need for new investments in innovation, new-energy and resource-efficient technologies in order to best prepare EU industry for the "third industrial revolution" era and reap the opportunities for future sustainable growth; WELCOMES the Commission's target to raise the share of industry, including SMEs, contribution to GDP from the current level of around 16% to as much as 20% in 2020.
6. UNDERLINES the need to translate EU research into industrial advantage to cover the entire value-chain, and to focus on the gap between research results, innovation and manufacturing in Europe, especially for Key Enabling Technologies and to develop further demand-side approaches and initiatives; STRESSES the role of world-class clusters and inter-clustering activities as key components of the EU industrial policy; TAKES NOTES of the six priority actions<sup>9</sup> selected in order to stimulate new investments, speed up the adoption of innovative technologies and boost resource efficiency; INVITES the Commission together with Member States and Regions to promote cooperation among the different stakeholders to deliver the industrial policy agenda and help the uptake of new technologies and investments;

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- i) Markets for advanced manufacturing technologies for clean production
- ii) Markets for key enabling technologies
- iii) Bio-based product markets
- iv) Sustainable industrial policy, construction and raw materials
- v) Clean vehicles and vessels
- vi) Smart grids

7. RECOGNISES the investment/business opportunities that the internal market offers and ACKNOWLEDGES the need to create a better environment for EU companies; WELCOMES the Commission's intention to take measures in order to strengthen the Internal Market, notably the entrepreneurship action plan, the review of the Internal Market for goods, the Digital Agenda for Europe, the increased use of competitiveness proofing, the future high-level group on Business Related Services.
8. EMPHASISES the importance of Intellectual property rights for innovative companies as well as of the unitary patent and of a unified patent litigation system in the EU; TAKES NOTE of the Commission's intention to examine possible options in the domain of IPR and business secrets in order to increase transparency and deter misuses in the treatment of IPR in standardisation.
9. RECOGNISES that access to finance and capital markets constitutes a major problem for European businesses, especially SMEs and innovative start-ups, and IDENTIFIES that investment in the adoption of innovative technologies and solutions is crucial for the recovery and growth of EU industry. INVITES the Commission to cooperate with the EIB and EIF in order to ensure the implementation and coherence of the financial instruments in the Horizon 2020 and COSME programmes and to reflect on how to facilitate and diversify access to finance for SMEs and innovative start-ups. EMPHASIZES the strong role of Cohesion and Structural funds, also for the support of all enterprises, and CALLS FOR the Member States and Regions to ensure their effective use.
10. RECOGNISES that human capital and an appropriate pool of skills are central to the success of a modern industrial policy; therefore INVITES the Commission to encourage actions to enhance job creation and education in new skills, and INVITES Member States to develop job creation policies, and to set up agendas for education and training in competitiveness skills;

11. INVITES the Commission, Member States and Regions in the light of the current economic challenges, to better exploit synergies between all relevant EU policies; and ENCOURAGES, where appropriate, further progress between the Commission, Member States and Regions in their cooperation towards a better EU governance in order for industry to play a major role in the EU's economic growth and to keep pace with EU's main international competitors.
  
  12. INVITES the High Level Group on Competitiveness and Growth to assist the Council in annually assessing progress made by Member States and at EU level in the implementation of structural reforms and on the effectiveness of industrial policy measures to strengthen competitiveness, ensuring that it fits into the European Semester.
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