



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from: Presidency
to: Delegations
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421 REGIO 113 ECOFIN 861 MI 650 EDUC 307

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

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 12 November 2012.

New text compared to doc. 15253/12 has been put in **bold and underlined**. Deleted text has been marked by ~~strikethrough~~.

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 2012¹ 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 2011², 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 2011³ on the industrial policy flagship initiative – reinforcing implementation of industrial policy across the EU;~~

¹ — 156/12

² — 52/11

³ — 18211/11

- ~~— The Communications from the Commission on "Industrial Policy Communication update: A Stronger European Industry for Growth and Economic Recovery"⁴, "Strategy for the sustainable competitiveness of the construction sector and its enterprises"⁵, "Security Industrial Policy – Action Plan for an innovative and competitive Security Industry"⁶ and "Promoting cultural and creative sectors for growth and jobs in the EU"⁷;~~
- ~~— The Council conclusions on Key Enabling Technologies and the European Innovation Partnership on Raw Materials⁸;~~

On the basis of the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions, Industrial Policy Communication update: A Stronger European Industry for Growth and Economic Recovery⁹,

THE COUNCIL OF THE EUROPEAN UNION agrees on the following:

~~21.~~ UNDERLINES the importance of **the EU's industrial** competitiveness and its world leadership in many industrial sectors, and RECOGNISES the major contribution that EU **manufacturing industries** can make to recover from the economic crisis, ~~and~~ **alongside with services sectors,** to strengthening the longer-term competitiveness of the EU economy **and to anticipate future evolution;**

⁴ ~~15168/12~~

⁵ ~~13186/12~~

⁶ ~~13050/12~~

⁷ ~~14256/12~~

⁸ ~~14887/12~~

⁹ 15168/12

- ~~2.~~ WELCOMES the Communication from the Commission entitled “Industrial Policy Communication update: A Stronger European Industry for Growth and Economic Recovery” that emphasises the **crucial** importance of strengthening industrial competitiveness to underpin growth and jobs and to ~~enable~~ **facilitate** the transition to a low emission and resource-efficient economy, in order to ~~fulfil~~ **contribute to** the Europe 2020 **strategy** goals;
3. RECOGNISES the contribution of **all industrial sectors, including energy-intensive industries, can make in the EU competitiveness and WELCOMES the recently adopted communications on Construction¹⁰, Security¹¹, as well as Cultural and Creative sectors¹² and [CARS21], and for the afore mentioned sectoral initiatives:**
- **INVITES the Commission and Member States to implement the Action Plan proposed in the “Construction 2020” Communication, in particular for stimulating investment and innovation in the sustainable renovation of buildings and for improving skills and qualifications;**
 - **EMPHASISES the need to create a true internal market for security products and technologies with a view to enhancing the competitiveness of the sector and INVITES Member States, in close cooperation with the Commission, to ensure the efficient implementation of the actions laid out in the respective Communication;**
 - **INVITES the Commission and Member States to stimulate cross-fertilisation between designers and manufacturers and to develop the right regulatory environment as a strategic contribution to the intangible economy;**

~~could have in EU industry competitiveness and INVITES the Commission together with Member States to identify and propose measures adapted for each of those sectors in order to boost their high innovation and productivity growth potential;~~

¹⁰ 13186/12

¹¹ 13050/12

¹² 14256/12

4.—[moved now is paragraph 7.]

54. EMPHASISES the urgent need for new investments in innovation, **including non-technological innovation and eco-innovation**, new-energy and resource-efficient technologies in order to best prepare EU industry for the **so-called** "third industrial revolution" era and reap the opportunities for future sustainable growth; WELCOMES the Commission's **ambition to reverse the current downward trend of the contribution of industry to EU GDP , and TAKES NOTE of its stated objective of encouraging an increase of industry's share to 20 % of GDP by 2020;**~~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;~~
65. 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 **and commercialisation** in Europe, especially for **through** Key Enabling Technologies; **STRESSES the importance of facilitating the involvement of businesses in Horizon 2020;** ~~and to develop further demand-side approaches and initiatives;~~ STRESSES the role of world-class clusters and **strong EU** inter-clustering **networking** activities as key components of the EU industrial policy **competitiveness, drivers of innovation, technology diffusion and knowledge spillovers**; TAKES NOTES of the six priority **lines** actions¹³ ~~selected in order~~ **designed** 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 **of all** ~~among the different~~ stakeholders to deliver the industrial policy agenda and help the uptake of new technologies and investments;

¹³

- 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

76. RECOGNISES the investment/business opportunities that the internal market offers, and **UNDERLINES that regulatory environment need to be clear and consistent so as to provide EU businesses with the legal certainty they need to market their products and services across borders as they do in their domestic markets, in order to exploit all the opportunities of the Single Market;** ACKNOWLEDGES the need to create a better **regulatory** environment for EU companies; WELCOMES the Commission's intention to take measures in order to strengthen the Internal Market **by all available means;** ~~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.~~
- 4.7. WELCOMES the Commission's intention to carry out pilot "horizontal sectoral" fitness checks **starting with petroleum and aluminium sectors;** and INVITES the Commission to take forward **further** sectoral initiatives together with Member States, and businesses **and other stakeholders to minimize regulatory burden and** to boost their high innovation and productivity growth potential of EU Industry, **especially** and SMEs; EMPHASISES that competitiveness ~~testing~~ **proofing** has to play a prominent role to **ensure the consistency of rules and to** prevent further unnecessary red tape and compliance costs; **the cost of crossing the borders in the IM, by having to comply with different national legislation, should also be taken into account;**
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~~ **improve** in the treatment of IPR in standardisation;

9. RECOGNISES **the difficulties European businesses, especially SMEs, innovative start-ups, and in particular in cooperative projects covering parts of value chain or clusters face when trying to** 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; EMPHASISES 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 **and competences** 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~~ **desirable** skills, and INVITES Member States to ~~develop~~ **carry out** job creation policies, **promote lifelong learning,** and to set up agendas for education and training in competitiveness, **including entrepreneurial skills, and to develop the dual system of vocational training in cooperation with businesses;**
11. **INVITES the Commission together with Member States to identify and propose measures and strategies with European added value adapted to largely different national situations in order to boost the high innovation and productivity growth potential of EU industry;** INVITES the Commission, Member States, and Regions in the light of the current economic challenges **to apply a broad and coherent industrial policy approach for competitiveness, sustainable growth and high-value jobs, and** to better **coordinate** ~~exploit~~ synergies between all relevant EU policies; **such as SMEs, cohesion, trade, research, environmental and competition policy; including the EU frameworks on State aid;**

142. 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;

123. **STRONGLY SUPPORTS the Commission efforts to further embedded industrial policy within the European Semester process, and** 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 **relevant** structural reforms and ~~on the effectiveness of industrial policy measures. to strengthen competitiveness, ensuring that it fits into the European Semester.~~
