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NOTE

From:	Presidency
To:	Delegations
No. prev. doc.:	7826/17 COMPET 229 IND 77
Subject:	Draft Council conclusions on "A future EU industrial policy strategy"

Delegations will find attached draft Council conclusions on "A future EU industrial policy strategy", with a view to the discussion by the Working Party on Competitiveness and Growth (Industry) at its meeting on 2 May 2017.

Changes compared to document 7826/17 are indicated in **bold underlined** for additions and ~~striketrough~~ for deletions.

**DRAFT COUNCIL CONCLUSIONS ON "~~A NEW STRATEGY FOR THE UNION'S~~
INDUSTRY A FUTURE EU INDUSTRIAL POLICY STRATEGY"**

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- the conclusions of the European Council of 15 December 2016, which called on the Council and the Commission to evaluate the impact of mainstreaming industrial policy into the EU strategic initiatives, and to consider concrete action to strengthen and modernise the industrial base of the Single Market¹;

- **the Council conclusions on the Industrial Competitiveness Agenda², on the digital transformation of European industry³ and on the Digital Single Market Technologies and Public Services Modernisation package⁴,**

(1) UNDERLINES the essential role of industry as a cornerstone for growth and employment and innovation in Europe and its contribution to the Union's prosperity, as well as the critical importance of industry for dealing with major transformations, including sustainability and digitisation;

(2) HIGHLIGHTS that industry and related services in the EU are facing a highly dynamic global environment, involving societal, technological and sustainability challenges; UNDERLINES that it is essential to enhance the attractiveness of Europe's industrial ecosystems for European and foreign direct investment;

¹ Doc. EUCO 34/16 of 15 December 2016, paragraph 19.

² Doc. 15890/14.

³ Doc. 9340/15.

⁴ Doc. 9524/16.

- (3) EMPHASISES the importance of fostering a competitive, forward looking and innovative industrial base in Europe; ACKNOWLEDGES that a holistic policy approach based on value chains, inter-clustering linkages and activities is crucial, with a particular focus on start-up, scale-up and mid-cap SMEs; this should include, when necessary, sectorial initiatives for sectors facing economic change and high growth potential sectors; HIGHLIGHTS that this should embrace, amongst others, human capital, research, development and innovation, digital transformation, tackling efficiently and robustly unfair commercial practices, sustainable and affordable energy sources, resource efficiency, industrial servitisation and better regulation; REITERATES that this encompasses all sizes of enterprises operating in all manufacturing and services sectors;**
- (4) CALLS for further streamlining of legislation and removing unnecessary or disproportionate regulatory barriers in order to stimulate a more growth-friendly regulatory environment for industry and STRESSES the importance of addressing the cumulative effect of different policies on industrial competitiveness;**
- (5) ACKNOWLEDGES the various initiatives⁵ taken by the Commission to address the main challenges of industry and related services in the EU; HIGHLIGHTS the importance of the existing funding instruments and the need to ensure their continuity in the future; RECOGNISES the importance of a regular dialogue with all stakeholders and NOTES the role of the EU Industry Day in this regard;**
- (6) HIGHLIGHTS the importance of ensuring consistency whilst maximising synergies between various policies at EU, national and regional level and identifying possible needs and resources for new initiatives to strengthen the competitiveness of industry and related services in the EU; this should also take Member States' specificities into consideration; RECOGNISES that, as part of the debate on the 'Future of Europe', there is a need for a coordinated and strategic industrial policy framework at EU level;**

⁵ **This includes, amongst others, the Investment Plan, Capital Markets Union, Circular Economy, Energy Union, Digital Single Market and Single Market Strategy including the Start-up and Scale-Up Initiative, the Digitising European Industry Initiative, rule-based trade, the Skills Agenda and the Commission's work on research and innovation (including the industrial pillar in the existing framework programme), smart specialisation and economic diplomacy.**

(7) CALLS on the Commission to provide:

- **[by February 2018] an assessment of the impact of mainstreaming industrial policy into the EU strategic initiatives, in line with the call of the European Council, accompanied by relevant recommendations;**
 - **[by November 2018] a holistic EU industrial policy strategy for the future accompanied by an action plan, developed in close consultation with Member States and all relevant stakeholders.**
- ~~(2) EMPHASISES the importance of strengthening and modernising a strong industrial base in Europe and of ensuring the Union's industrial competitiveness by putting innovation and digitalisation at the centre of all initiatives, covering both modern industries with high growth potential and more traditional branches of industry that often face the challenges of rapid economic changes in today's globalised world and the risk of delocalisation;~~
- ~~(3) CALLS on the Commission to provide the Council with an evaluation of the impact of mainstreaming industrial policy into the EU strategic initiatives as called for by the European Council, by the end of October 2017, and looks forward to examining this evaluation;~~
- ~~(4) STRESSES in this context the need for the Commission to produce a comprehensive overview of the cumulative effects of EU policies that have an impact on the competitiveness of the Union's industry;~~
- ~~(5) CALLS on the Commission to consider concrete action to strengthen and modernise the industrial base of the Single Market and to report to the Council on its plans for such action by the end of 2017 at the latest;~~
- ~~(6) INVITES the Commission, in considering such concrete action, to weigh the advisability of specific measures in support of action taken in the Member States to ensure that the conditions necessary for the competitiveness of the Union's industry exist (excluding any harmonisation of the laws and regulations of the Member States), and, if appropriate, to submit a proposal to the European Parliament and to the Council; INVITES the Commission to inform the Council by the end of 2017 on the advisability of such a proposal;~~

~~(7) CALLS on the Commission, in considering concrete action to strengthen and modernise the industrial base of the Single Market, to take a comprehensive approach to industry, ranging from small and medium-sized enterprises to larger undertakings.~~
