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**NOTE**

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From:	Permanent Representatives Committee (Part 1)
To:	Council
No. prev. doc.:	8944/17 COMPET 305 IND 103
Subject:	Draft Council conclusions on "A future EU industrial policy strategy" - Adoption

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1. The European Council, in its conclusions of 15 December 2016, 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 Market.
2. Furthermore, during a debate at the Council meeting on 20 February 2017, a large number of Member States expressed concerns about the effectiveness of the Commission's current approach of mainstreaming industrial policy in other strategies and requested Council conclusions on an overall EU industrial policy.
3. The Presidency thus prepared draft Council conclusions on a future EU industrial policy strategy which were discussed by the Working Party on Competitiveness and Growth (Industry) on 11 April and 2 May 2017. A broad consensus on the text in the ANNEX was reached.

4. The Permanent Representatives Committee, at its meeting on 17 May 2017, examined these draft conclusions and agreed to forward them to the Council (Competitiveness) on 29 May 2017 for their adoption.
  5. The Council (Competitiveness) is therefore called upon to adopt the conclusions as set out in the ANNEX.
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**DRAFT COUNCIL CONCLUSIONS ON**  
**"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 Market<sup>1</sup>;
  - the Council conclusions on the Industrial Competitiveness Agenda<sup>2</sup>, on the digital transformation of European industry<sup>3</sup> and on the Digital Single Market Technologies and Public Services Modernisation package<sup>4</sup>,
- (1) UNDERLINES the essential role of industry as a major driver for growth, employment and innovation in Europe and its contribution to the Union's prosperity<sup>5</sup>, as well as the critical importance of industry for dealing with major transformations in the EU economy, including sustainability, servitisation and digitisation; EMPHASISES that this encompasses enterprises of all sizes operating in the manufacturing industry and related services sectors;
- (2) HIGHLIGHTS that industry and related services in the EU are operating in a highly dynamic global environment, involving technological, societal and sustainability challenges; UNDERLINES that it is essential to enhance the attractiveness of Europe's industrial ecosystems for stimulating investment;

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<sup>1</sup> Doc. EUCO 34/16, paragraph 19.

<sup>2</sup> Doc. 15890/14.

<sup>3</sup> Doc. 9340/15.

<sup>4</sup> Doc. 9524/16.

<sup>5</sup> This includes the positive contribution of industry towards the Union's gross domestic product.

- (3) EMPHASISES the importance of fostering a competitive, forward looking and innovative industrial base in Europe; ACKNOWLEDGES that a holistic industrial policy approach based on integrated value chains, inter-clustering linkages and activities is crucial, with a particular focus on SMEs, start-ups, scale-ups and mid-caps; this approach 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;
- (4) CALLS for further streamlining of legislation and removing unnecessary, discriminatory or disproportionate regulatory barriers in order to improve the functioning of the internal market and to stimulate a more growth-friendly regulatory environment for industry; STRESSES the importance of addressing the cumulative effect of different policies and the related regulatory framework on industrial competitiveness;
- (5) ACKNOWLEDGES the various initiatives<sup>6</sup> taken by the Commission to address the main challenges of industry and related services in the EU; RECOGNISES the importance of a regular dialogue with all relevant stakeholders and NOTES the role of the EU Industry Day and the declarations<sup>7</sup> and outcomes during the Digital Day in Rome in this process;
- (6) NOTES the importance of the EU financing instruments and the need to ensure their simplification, better coherence and better targeting in the future in order to support the growth of European enterprises of all sizes in an optimal manner;

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<sup>6</sup> 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.

<sup>7</sup> In particular, related to investments on the development of high performance computing capacities, connected and automated mobility and digital skills.

- (7) **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;
- (8) **CALLS** on the Commission to provide a holistic EU industrial policy strategy for the future in time for the **European Council** meeting in spring 2018; this strategy should present medium to long term strategic objectives for industry and be included in the framework of the Commission's 2018 work programme; it should be accompanied by an action plan including concrete measures, developed in close consultation with Member States and relevant stakeholders; it should also include an assessment of the impact of mainstreaming industrial policy into the EU strategic initiatives taken since the beginning of 2015.
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