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European Union

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**NOTE**

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Subject: Draft Council Conclusions on the Industrial Competitiveness Agenda

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

All changes to the previous version (doc. 14938/14 dated 30 October 2014) have been put in **bold and underlined**. Text that has been removed has been ~~struck through~~.

This text will be examined at the COMPCRO meeting on 20 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 Reports<sup>1</sup>;

Having regard to the Communication on Industrial Renaissance and with a view to the presentation, by the Commission, of a roadmap implementing it<sup>2</sup>;

**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 **and use** -the available **data and** tools for monitoring competitiveness **and to present more systematically the**, its drivers and policy implications **that can be drawn from** 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 **evaluations** perspective;
2. SUPPORTS the policy objective of **fostering growth by reversing** halting the decline in **industrial** value creation in **Europe** European industry and **WELCOMES in this regard** INVITES the **Commission's approach** Commission to **exploit** maximize the potential synergies created by bringing together, under one portfolio, policies for internal market, industry, entrepreneurship and SMEs, **as this will contribute to** in order to strengthen policy coordination and consistency for mainstreaming industrial competitiveness in all the **other** 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;

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<sup>1</sup> Docs. 13141/14 and 13142/14.

<sup>2</sup> Doc. 5489/14.

3. RECALLS the need **of improving conditions** for investment both from the private and the public sector, to ensure the ability of European **enterprises** 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 **and service** markets, **and RECALLS the need to promote new types of debt and equity financing, such as crowdfunding, subordinated loans or mezzanine financing and ensuring arrangements for their effective delivery to enterprises ;**
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 **innovative enterprises integrated in value chains** ~~dynamic industrial frontrunner enterprises~~ for the competitiveness of the European Union; ACKNOWLEDGES that **these enterprises** ~~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~~ **explore** to what extent policy frameworks and instruments can be improved as to support **such** ~~industrial frontrunner enterprises~~ **while respecting the rules of the Single Market; INVITES Members States to support in their policies the transformation of Research, Development and Innovation results into products in order to maintain a strong, competitive, industrial base in Europe;**
- 5bis. RECOMMENDS smart specialisation as an approach to prioritising investment; REITERATES the importance of clusters in the implementation of smart specialisation strategies and LOOKS FORWARD to the public consultation of the Commission on the review of its cluster strategy.**

6. CALLS for an ambitious, **fair** 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 **for businesses that takes into account** ~~that respects~~ the specific needs of SMEs, especially micro-enterprises **in particular through using the most efficient regulatory and non-regulatory tools, such as mutual recognition, harmonisation and standardisation;** INVITES ~~the~~ Member States to simplify and streamline administrative procedures, especially **for** ~~when starting a company, applying for licenses~~ **licensing**, paying taxes **taxation**, ~~participating in public procurement, exporting and settling~~ legal disputes;
8. INVITES the Commission to engage with stakeholders, particularly SMEs representatives, to **explore ways of encouraging businesses 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~~ **new** proposals to ensure they are innovation-friendly, fit for the digital age and **technology-neutral** ~~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 **through a strong governance framework** and to promote **promotion of** closer cooperation between Market Surveillance Authorities, to ensure a level-playing field **throughout the internal market, while respecting the principles of subsidiarity and proportionality** 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 implementation 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 **all** 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 **remaining obstacles to a fully-functioning single market for services together with a renewed strategy to address these obstacles, and to the Commission's report on the application of** 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 **smart industry**, digitalisation, the bio-based economy, **the Key Enabling Technologies-based economy**, resource efficiency, **stable supply of raw materials**, and energy costs **and fully integrated internal energy market**. In this context, WELCOMES the Commission's Green Action Plan for SMEs<sup>3</sup> and the Commission's Communication on a circular economy<sup>4</sup>;

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<sup>3</sup> Doc. 11616/14.

<sup>4</sup> Doc. 11592/1/14 REV 1.

13. CALLS for sectoral initiatives to be pursued by the Commission, **whenever the challenges to competitiveness recommend it**, which should include both sectors facing economic change and high growth potential sectors;
14. CALLS ON the Commission to assess the impact of the **draft amending the** Energy Taxation Directive<sup>5</sup> on the industrial competitiveness of individual sectors;
15. **CALLS ON the Commission** ~~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 **as well as technological developments including data analytics**.
16. **REITERATES the central role of the Competitiveness Council in encouraging all these objectives, including through a greater input to the European Semester, notably through a strengthened institutional capacity and more effective governance mechanisms;**

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<sup>5</sup> Doc. 9270/11.