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From:	Permanent Representatives Committee (Part 1)
To:	Council
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Subject:	EU industrial strategy for the future b) Council conclusions on "A renewed EU Industrial Policy Strategy" - <i>Adoption</i>

1. On 13 September 2017, the Commission submitted a communication to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank on "Investing in a smart, innovative and sustainable Industry: A renewed EU Industrial Policy Strategy"¹, accompanied by a list of next steps on key actions for a smart, innovative and sustainable industry².
2. The communication provides a comprehensive inventory of initiatives undertaken or currently being prepared by the Commission.
3. The Working Party on Competitiveness and Growth (Industry) examined the communication in detail at meetings in September and October 2017 and came to the conclusion that further efforts are needed.

¹ Doc. 12202/17.

² Doc. 12202/17 ADD 1.

4. The Presidency thus prepared draft Council conclusions on "A renewed EU Industrial Policy Strategy" which were discussed by the Working Party on Competitiveness and Growth (Industry) at meetings on 16 and 23 October and on 14 November 2017. A broad consensus on the text in the ANNEX was reached.
 5. The Permanent Representatives Committee, at its meeting on 22 November 2017, examined the draft conclusions set out in the ANNEX and agreed to forward them to the Council (Competitiveness) on 30 November 2017 for their adoption.
 6. 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 RENEWED EU INDUSTRIAL POLICY STRATEGY"**

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- the conclusions of the European Council of June 2017 which underlined the essential role of industry as a major driver for growth, employment and innovation in Europe and called for concrete action to ensure a strong and competitive industrial base of the Single Market, and which underlined that the EU will pursue a robust trade policy upholding an open and rules-based multilateral trading system, with a central role for the WTO, and is convinced that trade and investment can only be free if it is also fair and mutually beneficial¹;
- the conclusions of the European Council of October 2017 which stated that digitalisation offers immense opportunities for innovation, growth and jobs and will contribute to our global competitiveness, highlighted the need for the EU to support new forms of entrepreneurship and stimulate and assist the digital transformation of industries and services, and in this context called on the Commission to put forward the necessary initiatives for strengthening the framework conditions with a view to enable the EU to explore new markets through risk-based radical innovations and to reaffirm the leading role of its industry²;
- the Council conclusions of May 2017 on a future EU industrial policy strategy³ which call on the Commission to provide a holistic EU industrial policy strategy for the future in time for the European Council meeting in spring 2018 as well as an assessment of the impact of mainstreaming industrial policy into the EU strategic initiatives taken since the beginning of 2015,

¹ Doc. EUCO 8/17, paragraphs 15-17.

² Doc. EUCO 14/17, paragraphs 10-11.

³ Doc. 9760/17.

1. WELCOMES the Commission's communication "Investing in a smart, innovative and sustainable Industry - A renewed EU Industrial Policy Strategy"⁴ presented on 13 September 2017 together with a list of key actions for a smart, innovative and sustainable industry⁵;
2. CONSIDERS that the communication is an important signal and a useful first step towards developing a future-oriented EU industrial strategy, providing a comprehensive inventory of those initiatives already undertaken or currently being prepared by the Commission;
3. ACKNOWLEDGES that many of the initiatives listed, if designed and implemented properly and in a timely manner by all actors involved, should have a positive effect on deepening the Single Market and on enhancing the competitiveness of European industry;
4. STRESSES the importance of well-functioning value chains, both at European and global level; RECOGNISES the need for concrete action at EU, national and regional level to enable European industry, and in particular small and medium-sized enterprises, to tackle present and future challenges and to maximise the benefits of digitalisation, investments in research and development, uptake of innovation and transformation to safe and sustainable technologies and for ensuring that industry is equipped with the right set of skills; CONSIDERS that, when necessary, sectorial initiatives should be taken for sectors facing economic change and sectors with high growth potential; INVITES the Commission to assess how the programmes and instruments within the next multiannual financial framework can support the implementation of the aforementioned aspects; UNDERLINES the importance of a clear and predictable regulatory environment, which is conducive to investment and innovation;

⁴ Doc. 12202/17.

⁵ Doc. 12202/17 ADD 1.

5. In this context, **REITERATES** the Council's call on the Commission to build upon the communication in order to:
- a) further develop a comprehensive EU industrial strategy with a focus on 2030 and beyond, including medium to long-term strategic objectives and indicators for industry and to be accompanied by an action plan with concrete measures,
 - b) provide an assessment of the impact of mainstreaming industrial policy into the EU strategic initiatives taken since the beginning of 2015 and, on the basis of this, propose how mainstreaming industrial competitiveness can be made more effective;
6. Given the significance of industrial policy and its cross-cutting nature, **STRESSES** the importance of ensuring an open, transparent and inclusive process in the development of the future EU industrial policy; in this regard, **EMPHASISES** the need for a multi-level governance approach based on partnership and dialogue with Member States, regions and stakeholders, including with a view to the proposed setting up of a High Level Industrial Roundtable;
7. **UNDERLINES** the strategic role of the Competitiveness Council in mainstreaming industrial competitiveness, providing political guidance and momentum to this process, and therefore **STRESSES** Member States' commitment to be actively involved in the development of a substantial long-term strategy and to match the EU strategy with Member States' reform efforts;
8. **INVITES** the Commission to consider a concrete mechanism to effectively monitor the implementation of the strategy, and in this context **CALLS ON** the Commission to present at regular intervals progress reports to the Competitiveness Council with a view to the spring meetings of the European Council, starting in 2018, and adapt the strategy, if necessary, to respond to evolving conditions faced by industry.
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