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NOTE

From: Presidency
To: Delegations

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Subject: Draft Council conclusions on "A future EU Industrial Policy Strategy"

Delegations will find attached a revised Presidency proposal for 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 22 October 2018.

Changes compared to document 11825/18 are indicated in **bold underlined** for additions and in ~~striketrough~~ for deletions.

**DRAFT COUNCIL CONCLUSIONS ON
"A FUTURE EU INDUSTRIAL POLICY STRATEGY"**

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING the Council Conclusions of May 2017¹, November 2017² and March 2018³ as well as the European Council conclusions of March 2018⁴ which all stressed the need for a comprehensive and long-term EU industrial policy strategy,

1. ACKNOWLEDGES the major role of industry and related services as a key driver for green growth, employment and innovation in the single market; REITERATES the Council's call for a comprehensive and future-oriented industrial policy strategy for the EU, ~~which shall take into account the sustainable development goals and be implemented and synchronized with safe and sustainable energy and environment (including climate change) policies~~ **to be in place** by the beginning of the next EU institutional cycle, **by** building on the Commission's communication from 2017 on "Investing in a smart, innovative and sustainable Industry - A renewed EU Industrial Policy Strategy"⁵ as an important first step; **EMPHASISES that industrial policy shall be in balance with the Sustainable Development Goals as well as the UNFCCC⁶ Paris Agreement and be implemented and synchronized with safe and sustainable energy and environment (including climate change) policies, while bearing in mind the competitiveness of EU industry;**

¹ Doc. 9760/17.

² Doc. 15223/17.

³ Doc. 7037/18.

⁴ Doc. EUCO 1/18, paragraph 1.

⁵ Doc. 12202/17 + ADD 1.

⁶ **United Nations Framework Convention on Climate Change.**

2. STRESSES the need to build upon the EU's strengths and assets and focus on policy measures that need attention in the long-term as outlined in the Presidency report on "The future of the European industry: State of play and perspectives"⁷, thereby taking full advantage of current and future developments; **without prejudice to the negotiations on the next Multiannual Financial Framework (MFF)**, POINTS TO the crucial role of the next ~~multiannual financial framework~~ **MFF** in supporting the ongoing industrial transformation by ~~increasing investments~~ **investing** in future-oriented, innovative growth-areas as well as research, **innovation, skills and digital capacity development** programmes and instruments to strengthen the European industrial base **as well as its competitiveness**; **STRESSES the need for developing effective synergies between EU programmes, enabling an integrated and multi-level approach to industrial policy**;
3. EMPHASISES the vital role of coordinated policy actions at EU, national and regional level for the competitiveness of the EU's ~~industrial base~~ **industry**, its enterprises of all sizes, **in particular small and medium-sized enterprises, start-ups, scale-ups and mid-caps**, and **the development of** its **strategic** value-chains; therefore, REITERATES the importance of mainstreaming industrial policy across all EU strategic initiatives and consistently applying the principle of ~~smart~~ **better** regulation, to create a favourable environment and to reduce ~~cumulative~~ **unnecessary** regulatory costs **burden** in order to stimulate investments and innovation **(both technological and non-technological)**; STRESSES in this respect the high priority of an ~~integrated~~ **coordinated** approach to competitiveness between the different Council formations in order to address industrial policy on an equal footing with other policy areas;

⁷ Doc. 14365/17.

4. STRESSES the Council's call to continue the work on a mechanism to monitor the implementation of industrial policy as well as the trends in competitiveness of the EU industry, ~~including;~~ **therefore UNDERLINES the need for** a set of appropriate **and evolving** indicators based on the input from the High Level Working Group on Competitiveness and Growth⁸, focussing on a comparison at a global level as well as medium to long-term strategic objectives and targets ~~with a focus on~~ **to be achieved by** 2030 and beyond;
5. UNDERLINES in this respect the need for a **high-level, clear, effective** and transparent governance structure to design, implement and enforce industrial policy, ~~building upon;~~ **EMPHASISES the importance of scrutinizing the existing structure for delivering results and the effective interaction of** existing fora, based on an informed dialogue between the industry, **innovation actors,** institutions at EU level, national, regional and local authorities as well as the civil society; ~~EMPHASISES the strategic role of the Competitiveness Council in providing political guidance and momentum towards industrial competitiveness~~
6. **RECALLS the horizontal mandate given to the Competitiveness Council with respect to enhancing competitiveness and growth, to review on a regular basis both horizontal and sectoral issues and to be effectively consulted on proposals considered likely to have substantial effects on competitiveness, alongside the responsibility of all Council formations to assess the impact of their work field**⁹;
7. **CONSIDERS that the Competitiveness Council should play a key role in the definition and strategic monitoring of the future EU industrial policy strategy, and in providing political guidance and momentum for EU industry and its competitiveness.**

⁸ Doc. 11244/18.

⁹ **Doc. 8410/03.**