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Subject: An EU Industrial Policy Strategy: a Vision for 2030
- Council conclusions (adopted on 27/05/2019)

Delegations will find in Annex the Council conclusions on an EU Industrial Policy Strategy: a Vision for 2030, adopted by the Council at its 3694th meeting held on 27 May 2019.

**COUNCIL CONCLUSIONS ON
AN EU INDUSTRIAL POLICY STRATEGY: A VISION FOR 2030**

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- the European Council conclusions of March 2019¹ inviting the Commission to present, by the end of 2019, a long-term vision for the EU's industrial future, with concrete measures to implement it;
- the European Council conclusions of March 2018² which stressed that the EU needs a strong industrial policy;
- the Council conclusions of May 2017 on "A future EU industrial policy strategy"³, the Council conclusions of November 2017 on "A renewed EU Industrial Policy Strategy"⁴, the Council conclusions of March 2018 on "EU industrial policy strategy for competitiveness, growth and innovation"⁵, and the Council conclusions of November 2018 on "A future EU Industrial Policy Strategy"⁶ which all emphasised the need for a comprehensive and long-term EU industrial policy strategy;
- the Council conclusions of February 2019 on the Coordinated Plan on the Development and Use of Artificial Intelligence Made in Europe⁷;

¹ Doc. EUCO 1/19, paragraphs 2 and 3.

² Doc. EUCO 1/18, paragraph 1.

³ Doc. 9760/17.

⁴ Doc. 15223/17.

⁵ Doc. 7037/18.

⁶ Doc. 14832/18.

⁷ Doc. 6331/19.

- the Council conclusions of March 2018 on the enforcement of Intellectual Property Rights⁸;
 - the Commission communication of September 2017 on "Investing in a smart, innovative and sustainable Industry - A renewed EU Industrial Policy Strategy"⁹;
 - to meet the calls of the Paris Agreement,
1. UNDERLINES the crucial role of industry and related services for driving sustainable growth, employment and economic development in Europe; STRESSES its important contribution to the prosperity of the EU's regions, societies and citizens by responsibly creating value, promoting innovation, contributing to environment and climate policy goals, while providing stability, ensuring social cohesion and inclusiveness and reinforcing economic convergence; REITERATES the call by the European Council for a strong economic base that is of key importance for Europe's prosperity and competitiveness, and for its role on the global stage, which should be achieved through an integrated approach addressing the current and emerging global, technological, security and sustainability challenges and connecting all relevant policies and dimensions: the Economic and Monetary Union which should be deepened; the Single Market in all its dimensions, as a cornerstone of the Union's growth; an assertive industrial policy allowing the EU to remain an industrial power; a forward-looking digital policy, fit for an age of digital transformation and the rise of the data economy; and an ambitious and robust trade policy ensuring fair competition, reciprocity and mutual benefits; due regard should be paid to an improved business environment for small and medium-sized enterprises (SMEs), skills development and the social dimension; CALLS FOR a sustainable and strong industrial development and for further strengthening the industrial base in Europe;

⁸ Doc. 6681/18.

⁹ Doc. 12202/17.

2. ACKNOWLEDGES that EU industry is faced with increasing challenges stemming from recent developments in the global context, including rising competition in the global markets, growing uncertainty in international trade, including some protectionist trade measures and far-reaching industrial strategies of third countries; STRESSES the importance of mobilising all relevant EU and Member State policies and instruments, applying the better regulation principles and continue the work on fostering an innovation and growth-friendly regulatory environment and ensuring fair competition within the Single Market and globally, both to protect consumers and to foster economic growth and competitiveness, and continuing to update our European competition framework to new technological and global market developments; UNDERLINES the need for strengthening the competitiveness of the EU industry and advancing in the Single Market integration so as to enable EU industry to compete globally on a level playing field, using all relevant tools; HIGHLIGHTS that compliance with state aid control principles by third party jurisdictions should be properly addressed and enhanced, by agreeing or updating such rules and principles in dedicated competition agreements or other international agreements, such as trade agreements;

3. REAFFIRMS the EU's commitment to an open rules-based multilateral trading system with the WTO at its core, to the modernisation of the WTO rulebook on industrial subsidies, intellectual property and forced technology transfers, and to resist all forms of protectionism and distortions to the level playing field; the EU should continue to push for a balanced and ambitious trade agenda through WTO reform and through the conclusion and enforcement of free trade agreements, promoting EU values and standards and ensuring a level playing field;

4. REITERATES the calls by the European Council and the Council, supported by the European industry, for a comprehensive and long-term EU industrial policy strategy with a clear vision for 2030, highlighting the opportunities and addressing the challenges for European industry, touching upon all relevant policy areas, accompanied by a specific action plan including concrete measures and a timetable for implementation and monitoring mechanisms, where possible taking into account the indicator framework regarding industrial competitiveness¹⁰; that strategy should become a top priority for the strategic agenda of the next Commission and be put in place at the beginning of the new EU institutional cycle; STRONGLY ENCOURAGES the Commission to elaborate this strategy, which should include policy targets and indicators, in close consultation with Member States and all stakeholders including by building on existing initiatives; in addition CALLS FOR considering to complement or update, where necessary, the industrial strategy by targeted sectoral actions, initiatives or reports in order to adapt to recent and future foreseeable technological developments and challenges; LOOKS FORWARD to the final report of the high level industrial roundtable Industry 2030;
5. EMPHASISES the need for a stronger interlinkage between industrial policy, Single Market policy, research and innovation policy, digitalisation and environmental policy; STRESSES that a strong and well-functioning Single Market, including services, provides the necessary framework conditions and is essential for European industry, and in particular for SMEs and small mid-caps, to reap its benefits and exploit its opportunities; EMPHASISES that a strong Single Market enables European businesses to scale up and to compete successfully on the global markets; UNDERLINES the importance of a proper, timely, transparent and effective implementation, application and enforcement of Single Market rules in all Member States and CALLS FOR concrete commitments and objectives for preventing and removing unnecessary regulatory and non-regulatory burdens and all unjustified remaining technical and non-technical barriers in the Single Market;

¹⁰ Doc. 11244/18, as developed by the High Level Working Group on Competitiveness and Growth.

6. STRESSES the importance of strong European industrial value chains in a global context for improving industrial competitiveness and strategic autonomy, fighting climate change, enhancing resource efficiency, security of supply including of primary and secondary raw materials, technological development, transfer of technology and exploiting research results, innovation, sustainable funding and investment, aiming at European industrial leadership globally in key areas of the economy, such as the Key Enabling Technologies; HIGHLIGHTS the need for further integration of the markets and for strengthening the relevant services sectors, as industry value chains are highly dependent on them;
7. EMPHASISES the importance of developing pan-European integrated industrial projects involving all interested Member States with the aim of enabling EU industry to face rising international competition and maintaining and further developing high value-added manufacturing activities in Europe, such as in the field of microelectronics; CONSIDERS the European Battery Alliance as a promising initiative for fostering a competitive manufacturing value chain for batteries in Europe in a priority area;
8. UNDERLINES that Important Projects of Common European Interest are one of the relevant tools for supporting strategic value chains at EU level; TAKES NOTE with interest of the work carried out by the Strategic Forum for Important Projects of Common European Interest in identifying six additional key strategic value chains for joint or coordinated investments and actions in the fields of Connected, automated and electric vehicles, Smart Health, Low-carbon industries, Hydrogen technologies and systems, Industrial Internet of Things, and Cybersecurity, in addition to the ongoing work on microelectronics, high-performance computing and batteries; AWAITS with interest the recommendations for actions of the Strategic Forum for close cooperation in these areas as well as in other areas of European strategic interest;

9. HIGHLIGHTS the need to further promote private and public investments in research, innovation, including disruptive innovation, digitalisation, big data, artificial intelligence, clean technologies, circular economy and other sustainable economic models to further consolidate and further develop a strong and competitive EU industrial base; STRESSES the importance of joining forces at European level and of the support provided by the EU programmes under the next multiannual financial framework; WELCOMES the European Semester's focus on strengthening investment in research and innovation and ENCOURAGES Member States to incentivise national, regional and local efforts towards such purposes; HIGHLIGHTS the support that Cohesion policy can bring in mobilising investments in industrial competitiveness and industrial transition, also taking into consideration smart specialisation strategies;

10. RECOGNISES that a well-functioning and effective intellectual property right regime is a key to continued development and growth; RECALLS that it is essential to continue developing, improving and updating the European intellectual property frameworks, so as to ensure that ideas and inventions can be effectively developed and brought to the market, in particular by and for SMEs, to the benefit of the European economy and society at large; HIGHLIGHTS that steady progress has been made on the European Patent with unitary effect and on the creation of the Unified Patent Court, and that the launch of the Unitary Patent system is expected to attract and retain innovation, talent and investment;

11. UNDERLINES the significant contribution that the Horizon Europe Programme can bring for supporting industrial competitiveness and answering to global challenges, notably through the development of industrial technologies, processes and business models; WELCOMES the launch of an enhanced pilot for the European Innovation Council (EIC) which has an important role in providing a full range of innovation supports including blended mechanisms, in particular for SMEs and start-ups, and LOOKS FORWARD to the implementation of the new EIC based on this enhanced pilot; EMPHASISES the importance of further developing and supporting EU networks of open innovation infrastructures for speeding up the market uptake of new technologies for more advanced industrial production systems;

12. CALLS FOR further support to the implementation of the Digitising European Industry and Artificial Intelligence strategy, notably through a European network of Digital Innovation Hubs, which help in particular start-ups, scale-ups, SMEs and small mid-caps in their digital transformation, allowing them to "test before invest", to find investments, mentoring and training opportunities and to become part of an innovation ecosystem with broad networking opportunities; EMPHASISES in this regard the importance of the programmes under the next multiannual financial framework such as the new Digital Europe Programme in supporting the ongoing industrial transformation and strengthening capacity building and deployment in areas that are key for the European competitiveness in the digital age, such as high performance computing, artificial intelligence, cybersecurity, advanced digital skills and the digitalisation of the public and private sectors;

13. CALLS FOR action to increase Europe's talent pool and ensure the availability of the skills needed for strengthening the EU's industrial competitiveness in the light of the ongoing industrial transformation and the development and uptake of emerging technologies and artificial intelligence and STRONGLY RECOMMENDS promoting training and education, at all levels, for science, technology, engineering and mathematics, enhanced computer literacy, languages and arts; UNDERLINES the importance of upskilling and reskilling the EU's existing workforce including in the emerging technologies; ENCOURAGES to take into consideration social inclusiveness and gender equality and balance in this complex process;
14. WELCOMES the Commission's communication on "A Clean Planet for all: A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy"¹¹; CONSIDERS that the transition towards a climate-neutral and circular economy, which has to be just and socially balanced for all, comes both with challenges and opportunities for EU industry and businesses to excel amongst competitors and develop competitive advantages at global level through innovation, new technologies, products and services; STRESSES the role of a strong EU industrial base for the transition towards a sustainable, climate-neutral and circular economy; UNDERLINES the importance of a supportive, cost-effective, predictable and investment-friendly EU regulatory framework together with appropriate financial support for enabling a successful adaptation to this transition through, among others, innovation and demonstration projects; ENCOURAGES industry to bring forward projects to make full use of the significant funding available in the EU Innovation Fund to develop innovative low-carbon technologies and processes in energy-intensive industries;

¹¹ Doc. 15011/18.

15. WELCOMES the full delivery of the Circular Economy Action Plan; AGREES that there remain important challenges that need to be addressed in order to speed up Europe's transition towards circularity; UNDERLINES that circularity can significantly contribute to improving the EU economy's resilience, competitiveness and industrial base; EMPHASISES the potential of new technologies to improve the economy's circularity by promoting sustainable models of production based on primary and secondary raw materials and resource efficiency, in which products and materials are designed to be reused, remanufactured and recycled, in order to be maintained in the economy for as long as possible; INVITES Member States and the Commission to fully tap into the potential of the circular economy when rolling out their industrial and innovation policies; UNDERLINES the industrial importance of a fully-fledged, well-functioning and harmonised Single Market for secondary raw materials and circular products, cutting red-tape and legislative hurdles for internal shipment of secondary raw materials, exploiting the potential of bio-based raw materials, reducing the EU's dependency on imported raw materials, and thereby considerably lowering both its environmental and carbon footprint, while protecting human health and the environment;

16. ACKNOWLEDGES the situation of certain sectors, such as the energy-intensive ones, that are particularly affected by the ongoing industrial transformation and face challenges and opportunities in adapting to the changing economic and regulatory environment; HIGHLIGHTS the need for creating a European and global market for low-emission products and services as well as for ensuring access to raw materials, especially critical ones and secondary raw materials; UNDERLINES the potential of circularity to reduce the carbon footprint of the industry, including energy-intensive ones, thus helping meet the goals of the Paris Agreement, while taking into account Member States' specificities and the competitiveness of European industry; INVITES the Commission and Member States to take into account the specific needs of energy-intensive industries when developing or updating regulations, guidelines, strategies or plans with a perspective to 2030 and beyond, with a view to facilitating their transition towards a climate-neutral economy and maintaining their competitiveness, in particular through circularity measures, and to promote measures to avoid carbon leakage; LOOKS FORWARD TO the industrial transformation master plan for energy-intensive industries that will be developed by the High Level Group on Energy-Intensive Industries;

17. TAKES NOTE OF the Commission's communication on "Harmonised standards: Enhancing transparency and legal certainty for a fully functioning Single Market"¹² and ENCOURAGES all actors involved to make further progress with regard to inclusiveness, legal certainty and predictability aiming at a rapid delivery of the harmonised standards and their benefits to enterprises and consumers; SUPPORTS the work developed under the Joint Initiative on Standardisation to promote a shared vision for improving the European standardisation system and ENCOURAGES all stakeholders to take it duly into consideration and implement it; therefore CALLS UPON the Commission to continue its work beyond 2019, particularly in the areas of education on standardisation, raising awareness of the role of standardisation among public authorities and SMEs and using standards in public procurement; UNDERLINES the importance of the European industry's role in driving the European standardisation system and STRONGLY RECOMMENDS promoting the European standardisation system at international level;

¹² Doc. 14657/18.

18. EMPHASISES the importance of micro, small and medium-sized enterprises productivity for the competitiveness of the EU industry and the contribution of SME internationalisation to growth and WELCOMES the achievements of the Small Business Act for Europe in applying the "Think Small First" principle, fostering entrepreneurship, simplifying the regulatory environment and removing barriers to their development, while taking into account the principles of better regulation; INVITES the Commission to continue support to SMEs regarding access to markets and global value chains, scaling-up, innovation and finance, including through the Single Market Programme, the SME window of the InvestEU Programme, the Horizon Europe Programme and the EIC instruments; HIGHLIGHTS the ongoing industrial transformation process, including digitalisation, emerging technologies and artificial intelligence, and therefore CALLS ON the Commission to consider updating the Small Business Act for Europe and, where appropriate, the SME definition provided by Recommendation 2003/361/EC, taking into account recent developments and new challenges, and focusing on good framework conditions for SMEs, with a view to the inclusion of a new "digital principle";
19. HIGHLIGHTS that clusters are key for the implementation of the EU industrial policy strategy as they enable strategic and structured collaboration along and across EU value chains; SUPPORTS European cluster policy initiatives as an important tool for promoting regional industrial modernisation supporting the growth of SMEs and small mid-caps, facilitating SMEs' access to global markets in strategic value chains, encouraging smart specialisation and strengthening cross-sectoral collaboration in order to facilitate structural change and the development of emerging industries; UNDERLINES the potential of the future Single Market Programme to boost industrial modernisation through joint cluster initiatives as well as of the new Interregional Innovation Investment Instrument proposed under Cohesion policy for the development of EU value chains;

20. RECALLS the horizontal role given to the Competitiveness Council, with respect to enhancing competitiveness and growth, to review all relevant horizontal and sectoral legislative and policy proposals considered likely to have an impact on competitiveness; REAFFIRMS its commitment to mainstreaming industrial competitiveness across all EU policy areas and to an integrated approach for strengthening European competitiveness; REITERATES that the Competitiveness Council, supported by the High Level Working Group on Competitiveness and Growth, should play a key role in the definition and strategic monitoring of the implementation of the long-term EU industrial policy strategy as well as of other key priorities from the strategic agenda of the EU which will be elaborated during the next institutional cycle.
