



Council of the  
European Union

Brussels, 19 January 2018  
(OR. en)

5495/18

COMPET 34  
IND 26  
MI 39

**NOTE**

---

From:	Presidency
To:	Delegations
No. prev. doc.:	5117/18 COMPET 12 IND 6 MI 11
Subject:	Draft Council conclusions on "EU Industrial Policy Strategy for Competitiveness, Growth and Innovation"

---

Delegations will find attached a revised Presidency proposal for draft Council conclusions on "EU Industrial Policy Strategy for Competitiveness, Growth and Innovation" with a view to the discussion by the Working Party on Competitiveness and Growth (Industry) at its meeting on 24 January 2018.

Changes compared to document 5117/18 are indicated in **bold underlined** for additions and ~~strikethrough~~ for deletions.

**DRAFT COUNCIL CONCLUSIONS ON  
"EU INDUSTRIAL POLICY STRATEGY FOR COMPETITIVENESS, GROWTH  
AND INNOVATION"**

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING the Council conclusions from May<sup>1</sup> and November 2017<sup>2</sup>, as well as the European Council Conclusions from June 2017<sup>3</sup>, which all emphasised the need for developing a comprehensive and long-term EU industrial strategy,

1. UNDERLINES the importance of ~~maintaining a strong~~ **strengthening the** industrial base as a key component of Europe's future, keeping in mind that European industry continues to be a major driver for productivity and innovation and a cornerstone of economic prosperity in Europe; CONSIDERS in this regard the Commission's communication from 2017 on "A renewed EU Industrial Policy Strategy"<sup>4</sup> as an important signal and a useful first step towards developing a future-oriented EU industrial strategy;

---

<sup>1</sup> Doc. 9760/17.

<sup>2</sup> Doc. 15223/17.

<sup>3</sup> Doc. EUCO 8/17, paragraph 15.

<sup>4</sup> Communication from the Commission 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 - Investing in a smart, innovative and sustainable Industry - A renewed EU Industrial Policy Strategy, doc. 12202/17 + ADD 1.

2. REITERATES that a fully functioning internal market is a fundamental pillar for strengthening industrial competitiveness and **HIGHLIGHTS the importance of enforcement and implementation of the internal market rules in that context;** **BELIEVES** that, in order to face the challenges and use the opportunities that are emerging, industry needs a stable, ~~simple~~ **clear** and, predictable **and non-discriminatory regulatory** environment in order to make future-oriented investments; **in this context RECALLS the importance of business-related services** and **UNDERLINES the need to remove remaining unjustified or disproportionate barriers;** therefore STRESSES that a structured and comprehensive long-term **strategic** approach is necessary;
3. CONSIDERS, in the light of the long-term industrial policies and measures in other regions of the world, that the EU needs a ~~united~~ **common** approach based **building** on the ~~identified~~ competitive advantages of our economy and businesses, with an ~~clear~~ **ambitious** long-term vision where its industry ~~should~~ **could** be in a decade and beyond **to the benefit of citizens and the economy;** ~~IS AWARE~~ **ACKNOWLEDGES** that the major and sometimes disruptive changes which industry is undergoing, if properly ~~harnessed~~ **pre-empted**, can **help** create new jobs and ~~bring factories closer to consumers,~~ **lead to re-shoring of manufacturing** by ~~building on Europe's strengths and by turning~~ challenges into opportunities;
4. WELCOMES the initiatives undertaken by the EU in the digital domain, and, given that speed and scale are decisive for market success, CALLS FOR strengthened efforts and the rapid implementation of policy priorities in respect of the digitalization of industry with a special emphasis on strengthening ~~the European Network of~~ **initiatives like** Digital Innovation Hubs supporting small and medium-sized enterprises (SMEs) in their digital transformation; **REITERATES the importance of an ambitious, coherent and consistent standardisation policy and of timely and industry-led standards for interoperability, for the competitiveness of European industries on global markets;**

5. STRESSES that, in order to operate in a data economy, companies need a continued focus on the innovative development and take-up of key forward looking trends including the Internet of Things, Artificial Intelligence, **robotics, Big Data and platforms**, connected and autonomous systems, 5G, 3D printing, standardization ~~and~~, **ICT security and blockchain**; EMPHASISES that, furthermore, data storage as well as high-performance processing technologies and capabilities should be strengthened in the EU to ensure an ambitious level of cybersecurity, data protection and trusted **ICT services**; **RECOGNISES the significant risk of ICT-enabled theft of intellectual property and the importance of finding a response to this threat**;
6. HIGHLIGHTS that the ability of the EU to make use of new technologies depends on its ability to innovate and that, therefore, achieving significant **and more effective** investments and the right framework for research, **development** and innovation is of crucial importance, **also in the perspective of the next multiannual financial framework**; CONSIDERS **that a better uptake of advanced technologies in the industrial base is essential to promote productivity gains and the overall industrial competitiveness**; **RECALLS** that the links between innovation, research and development and businesses are essential for market **application and** uptake and turning knowledge into new products and services, and that ~~for this reason support for the creation and~~, scaling-up **and interconnection** of innovation hubs throughout the EU ~~must~~ **should** be ensured **accommodated**, ~~in order~~ to strengthen the innovation ecosystem;
- 6a. CALLS for the further development of the European cluster policy, with the aim of linking-up and scaling-up regional clusters into cross-European world-class clusters, based on smart specialisation principles, in order to support the emergence of new value chains across Europe**;

7. ACKNOWLEDGES that there is an untapped potential for concrete European innovative projects especially when it comes to and that large scale innovation initiatives and disruptive innovation should be supported; NOTES with interest HIGHLIGHTS the importance of ongoing initiatives for public-private partnerships, innovations and investments such as the recently adopted initiative on "Making Public Procurement work in and for Europe" and REGARDS favourably instruments for investments such as the communication on EU State Aid Modernisation setting out criteria on support for Important Projects of Common European Interest which aims at facilitating large-scale innovative projects of transnational character;

7a. UNDERLINES the importance of public procurement for promoting innovation and improving the competitiveness of the EU industry and REGARDS favourably initiatives such as the recently adopted communication on "Making Public Procurement work in and for Europe" to use procurement as a strategic tool to foster a transition to a more innovative, environment-friendly and socially inclusive economy;

8. Having in mind that competition in a market economy is of outstanding importance for the innovation orientation of the economy, RECOGNIZES that, when it comes to innovation and digital transition, Europe the EU and its Member States, in order to be able to compete globally, should support investments in its the economy and create favourable conditions for private investment funds, including innovative forms of financing and targeted support measures for SMEs and start-ups as the backbone of the EU economy; furthermore POINTS TO the need for continued dedicated policies towards scale-ups and mid-caps, as well as optimized support for innovation with high technological risk and a long-term investment horizon; UNDERLINES the need for the right mix of investment and funding tools by the EU, Member States, regions and the private sector;

9. STRESSES that fostering the Union's industrial growth requires the right skills, and that harnessing the digital transition notably requires addressing the insufficient level of digital skills in Europe's labour force and shortages of ICT professionals as well as science, technology, engineering and mathematics graduates; REAFFIRMS ~~that further areas of priority action should be developing~~ **the potential of additional sectoral** blueprints for sectors where new **as a basis for bottom-up identification of sector-specific** skills are necessary **needs**, increasing **ged** business-education partnerships as well as dedicated investments in the skills of young Europeans;
10. Firm in the belief that trade contributes to creating wealth and jobs, NOTES the ~~geopolitical~~ **global** changes in trade policy; IS AWARE that ~~the industrial sector~~ **industry** is particularly characterised by global value chains and ~~depends~~ **relies** on free-trade in order to be able to operate **in a** successfully **and sustainable way** and thus generate growth, prosperity and employment; therefore URGES all actors involved to prepare an adequate EU-answer to the industrial strategies of third countries, facilitating the integration of European companies in global value chains and promoting free, fair and open trade while asserting the EU's interests, in a spirit of reciprocity and mutual benefit;

11. POINTS OUT that the contribution of the private sector is essential to achieving the ambitious goals for fighting climate change and ensuring sustainability ~~in Europe~~ **and INVITES industry and other stakeholders to explore medium and long-term strategies for development stretching up to 2050**; NOTES that satisfactory results can only be achieved through **vision**, partnership and by creating the appropriate framework conditions for new ~~and progressive~~ business and manufacturing models; furthermore CALLS FOR a comprehensive industrial policy that makes best use of the opportunities resulting from **technology development and the energy transition towards a low-carbon** and the circular economy and goes in line with a coherent European climate and energy policy **ies**, aiming at creating a strong, resource-efficient and competitive European industrial base, ~~while~~; **UNDERLINES that this comprehensive policy should take into account the external dimension of the EU climate policy**, addressing the issue of high energy costs **and prevent significant disadvantages in international competition**, in particular for energy-intensive industries;
12. REITERATES ~~the call~~ that industrial competitiveness ~~concerns~~ should be systematically mainstreamed across all EU policy areas **and its call on the Commission to evaluate the impact of mainstreaming industrial policy into the EU strategic initiatives and put forward proposals how the mainstreaming can be more effective**; POINTS OUT that cumulative cost assessments and the **systematic** reduction of regulatory ~~costs~~ **burdens** are an ~~important~~ **indispensable** part of any comprehensive effort to support the **global competitiveness of EU industry**, ~~and~~; **UNDERLINES in this regard the importance of concrete targets, whilst respecting existing protection standards; EMPHASISES** that systematic steps at EU level ~~in this regard~~ could effectively complement measures at national ~~or~~ **and** regional level and thus improve the coordination and synergies between EU and Member States' policies;
- 12a. RECALLS that appropriate framework policies should be accompanied, when necessary, by sectorial initiatives, especially for sectors facing economic change and sectors with high growth potential;**

13. NOTES that, in order to effectively implement ~~any~~ comprehensive EU policy, ~~specific~~ **strategic** objectives need to be established and the progress towards their achievement be constantly monitored; therefore CALLS ON the Commission to ~~commence~~ **intensify** work, in consultation with Member States and stakeholders, on ~~possible~~ **appropriate** industrial policy objectives to be achieved by 2030 **and beyond**, ~~that would allow for a comprehensive approach with synchronized European industry targets~~ **synchronizing the efforts made** under the EU's **industrial**, energy, **and** environment (including climate change) ~~and industrial~~ policies;
14. EMPHASISES the need to ~~start working in parallel on the establishment of appropriate indicators for monitoring~~ the implementation of the industrial policy objectives and, even more importantly, the trends in the development of the EU industry **with appropriate indicators**, keeping in mind that the indicators need to be measurable, time sensitive and allow for comparison at a global level;
15. In order to keep Europe globally competitive, STRESSES the urgent need for **preparatory actions for** a comprehensive EU long-term industrial strategy which should be in place at the latest by the beginning of the next EU institutional cycle; to this end CALLS ON the Commission to build upon the existing governance structure and ~~commence~~ **focus on** the preparation of all the elements that will form the future strategy, including ~~an joint~~ action plan ~~to co-ordinate measures taken at EU, national and regional level~~; NOTES also the need to closely involve Member States in this process and REAFFIRMS the readiness of the Competitiveness Council to provide political guidance and momentum.
-