I. Europe needs industry

II. Our strategy for industry

III. Implementation
I. Europe needs industry
Industry is the main source of competitiveness:

- 66% of EU productivity gains between 2010 and 2012
- 80% of EU private R&D
- 75% of EU exports
- an engine for non-speculative services
The European Industry performs well overall and remains competitive in many sectors

trade surplus 365 €bn per year

exports responded strongly after the crisis
But investment still 15% lower than before the crisis
Reasons: low demand in EU – EU faces competition as investment destination

EU losing share of total manufacturing investment
Yet investment is needed:

- to keep up with emerging markets
- to maintain technological edge
- to create jobs:

6 million jobs lost since 2000!
European Commission response: An ambitious industrial policy

Communication for a European Industrial Renaissance - 2014

There is political consensus at EU level:
- March 2014 Council conclusions welcome Communication and requests Roadmap
- September 2014 European Parliament ITRE issues report on "how can European Industry contribute to growth"

President-candidate Juncker:
"We need to maintain a strong and high performing industrial base for our internal market".
II. Our strategy for industry
Industrial Policy: One target, four pillars.

20% of EU GDP in industry by 2020.

4 pillars

I. Industry is taking off again
II. The action of the Commission

A growth-friendly administration

Access to inputs

Access to Market

Innovation
1) Provide access to markets

- complete **single market** fit for the future: + 4% of GDP

Still an unexploited potential

- improve access to **international markets** (FTAs, Missions for Growth)
2) Improve access to inputs

2.1 - **finance**: deploy EU instruments (COSME); develop alternative sources of funding; banking union to foster convergence in lending conditions

2.2 - **skills**: involve industry in vocational training; promote mobility (Erasmus+)

2.3 - **raw material**: ensure international access; promote recycling and research alternatives

2.4 - **energy**: complete single market; invest in infrastructure; develop renewable energies; design competitiveness friendly climate policy
3) Foster Innovation

The distribution of "connected-everything" patents

- US: 27%
- EU: 6%
- Canada: 13%
- Japan: 14%
- South Korea: 14%
- Others: 26%
3) Foster Innovation

Focus **Horizon 2020** on SMEs and close-to-market innovation (80€bn)

Anchor industrial initiatives in regional **smart specialization** strategies for long term impact (100 €bn)

Support **6 priority technology areas**
KETs, Advanced Manufacturing, Smart mobility, Smart grids, Bio-tech, Sustainable construction

Set the ground for a **smart and sustainable industry**: standards, regulatory gaps, innovation support
3) Foster Innovation: Smart Specialisation

€100 bn

of European Structural and Investment Funds (ESIF) are available to Regions for industrial investments.

Can be combined with Horizon 2020 research funding

x2

ESIF support to SMEs should be multiplied by 2 between 2014 and 2020.
4) A business-friendly regulation

Improve the regulatory environment for SMEs (Small Business Act 2.0)

Further review regulations for simplification (REFIT)

Modernize national administration
III. Implementation
Mainstreaming actions to improve implementation:

- Improve the mainstreaming of industrial competitiveness considerations
  competitiveness proofing in impact assessments

- Establish partnership with Member States and regions
  establish monitoring
  EU Member States competitiveness report
Thank you!