

Informal Meeting of Ministers Responsible for Competitiveness (Industry)

31 January and 1 February 2018, Sofia, Bulgaria

Keynote Address on the Need of a Comprehensive long-term Industrial Strategy of Europe

This document outlines joint policy recommendations from the European chemical industry (CEFIC), the European steel sector (EUROFER) and the non-ferrous metals producers and recyclers in Europe (EUROMETAUX), which participated in the Conference “*Innovations for competitiveness; The basic industries – A drive for growth*” which was held in Sofia, Bulgaria, on 31 January 2018.

1. Our Industrial Sectors fully support 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.
2. The recent Commission’s communication “Investing in a smart, innovative and sustainable industry – A renewed EU Industrial Policy Strategy” is an important signal and useful first step, however, the development of a future-oriented EU industrial strategy remains an urgent need.
3. We support policy initiatives to increase the levels of investment in Europe. In the context of the enlarged European Fund for Strategic Investments, focus should be given also to the manufacturing sector and in particular the Energy Intensive Industries. Despite the recent positive headline figures on the performance of European industry, new industrial investments are mainly taking place in countries like China, where demand is growing, and the USA and the Middle East, where energy and raw materials are cheap. If this loss of competitiveness is not addressed the EU risks becoming an increasingly high cost region with little growth and accelerating industrial decline.
4. In this regard, we call the European Commission to swiftly devise a Master Plan for reinforcing the competitiveness of the European Industry and implement a truly European Industrial Policy Strategy, with a long-term vision. This Master Plan should include concrete actions and objectives in all policy areas, which affect industrial competitiveness. This Master Plan should also encompass a series of consecutive, interconnected and clear milestones and measurable objectives, rather than a horizontal list of independent policy actions.
5. Industrial success and growth depends on the fast production and conversion of knowledge into innovation. The EU should do a lot more to achieve its own ambition for investing at least 3% of GDP in R&I by 2020. We fully support the Commission’s call for an ambitious and a future oriented MFF, with a strong FP9 programme. The European Union should provide ample funding

for research and innovation, reduce risk, accelerate time to market and demonstrate commitment to the launch and acceptance of ‘future defining’ innovative solutions.

6. We emphasize that the EU Industrial Policy strategy should focus and pay special attention on value chains. Our sectors have a multiply effect across the whole EU industry and can contribute towards achieving both the objectives of the EU Jobs and Growth Agenda and the targets of the Energy and Climate Change Framework. However, any low-carbon economy, in particular, must include certain value chain elements that are by definition energy-intensive; the full value chain for this low-carbon economy should remain in Europe.
7. It is necessary that industry has access to a skilled workforce which is easily adaptable to the digital era, emerging business new models and working conditions. A new Skills Agenda for Europe should put emphasis on science, technology, engineering and mathematics (STEM) as well as on digital skills where Europe is lacking behind its main competitors. This new Skills Agenda should be developed in close co-operation with Industry, trade Unions and other social stakeholders.
8. The European Industry needs an appropriate, affordable, clear and consistent legal and regulatory framework for the post 2030 period. We urgently need to reduce the cost of doing business in Europe relative to our competitors. This policy recommendation is not about reducing standards for safety and environmental protection; it is about increasing EU regulatory efficiency. Policy initiatives such as the “cumulative cost assessments” and “fitness checks” should be translated into tangible results and bring compliance costs down.
9. We support a strengthened role of the Competitiveness Council on providing high-level political guidance and orientation towards both the development and the implementation of an EU Industrial Policy Strategy. Industrial competitiveness should be systematically mainstreamed across all EU policy areas and continuously measured by using key indicators and statistical data.
10. We express our commitment to collaborate closely with the European Institutions, the Presidency of the EU and the Commission, in order to develop the EU Master Plan, which will fit for Industry and will reinforce the competitiveness of our sectors.



The European
Chemical Industry Council



Eurometaux

Annex: List of specific recommended policy actions

- Provide long-term predictability for energy-intensive industries through a climate policy framework that encourages investments and innovation.
- Ensure that sufficient low-carbon electricity will be available, competitive and usable to match the expected increased future demand from Europe's energy-intensive industries.
- Maintain safe uses of essential hazardous substances, by implementing a framework to control any wider risks they pose to human health and the environment.
- Promote a global level playing field for Europe's materials recycling industries, and lower administrative burden for transporting waste across Member States.
- An accurate classification of alloys would also support the EU's Circular Economy objectives, by avoiding constraints on the safe recycling of alloys.
- To unleash the potential of waste and by-products as secondary raw materials, through a proper adaptation and use of existing laws. In particular, the by-product instrument should be more used by member states in order to facilitate B2B marketing of industrially co-generated materials.
- We uphold the pollution prevention and control principle grounded on an Integrated approach, which means our sector addresses all the dimensions taken into account the whole environmental performance to avoid shifting of pollution, covering e.g. emissions to air, water, generation of waste, use of raw materials, energy efficiency, etc.
- We encourage an enhanced relative decoupling of the production activities and the environmental burden via the implementation of new technologies and techniques, e.g. BAT.
- Resource efficiency & technical integration: application of best available technologies for reducing emissions to the environment should be coupled with funds and supporting schemes for technology advancement in recovering and recycling collected residual materials.
- Strengthen European Raw Materials Strategy.