

Steering brief

Scene setter

You will meet with [REDACTED], [REDACTED] of the European Round Table for Industry (ERT). [REDACTED] is also the [REDACTED]

Industrial strategy for Europe

On 10 March 2020, the Commission adopted a **new industrial strategy for Europe** as part of a package of initiatives for making Europe's businesses future-ready, including also a new SME strategy and concrete steps to address Single Market barriers and better implement and enforce Single Market rules. The new industrial strategy will help Europe's industry lead the green and digital transformations, and driving Europe's global competitiveness and its strategic autonomy. For that, it defines fundamental **enablers**: a deeper and more digital Single Market; upholding a global level playing field; working towards climate neutrality and a more a circular economy; fostering innovation, skills and investments.

The strategy proposes a new type of governance based on an approach on industrial ecosystems, incorporating all players operating in a value chain. It also promotes **cross-border industrial cooperation**, such as through industrial alliances, which have produced good results in batteries. Since then, the Commission has launched the European Clean Hydrogen Alliance (July) and the European Raw Materials Alliance (September).

The Commission is setting up an **industrial forum** for co-designing solutions with stakeholders, supporting the Commission in its analysis of the different ecosystems and in assessing the different risks and needs of industry. The industrial forum will also contribute to the coordination of recovery efforts, as a forum for Member States and industry to exchange best practices aiming at the transformation of industrial ecosystems.

The Commission will update the industrial strategy in the first half of 2021.

Position of European Round Table for Industry (ERT)

ERT members are committed to creating a strong, open and competitive Europe and promote sustainable growth, jobs and prosperity. In its **position paper of December 2019** (*presented in Brussels with your presence*), they underlined the following priorities for action for a modern and ambitious European industry strategy:

- enabling framework with a strong Single Market;
- securing access to low carbon energy;
- skills, digital transformation, innovation and investment for sustainability, advancing large-scale projects such as Important Projects of Common European Interest, intellectual property framework, smart approach to regulation;
- push for ambitious trade and investment agenda and level playing field, including value based EU economic diplomacy (including actions with Africa);
- competition and State aid policy (keeping balanced approach);

In a **letter to Commissioner Breton in March 2020**, ERT members highlight the importance of **benchmarking EU's competitiveness** with other countries and regions, using key performance indicators on industrial competitiveness and establishing a Sounding Board with high-level business representatives, providing input and feedback on the Commission's initiatives and actions.

In its publication in October 2020, **ERT invites the Commission to develop and formally adopt key performance indicators (KPIs)**, as a basis for regular monitoring of the implementation of the new industrial strategy and to add clear indicators and targets to any update of the industrial strategy. ERT proposes a **scoreboard for EU industrial competitiveness** based on a set of 28 KPIs and targets for 2030, divided into **four headings**:

- EU's performance in industrial production;
- how the EU organises industry internally – green and digital transitions;
- future orientation – investment, skills, enabling technologies;
- global relationships, presence in international markets.

ERT members support the Commission's NextGenerationEU recovery plan and recognise the importance of investing in the green and digital transitions and of improving EU's global competitiveness, using a market-based approach and following open trade dynamics, and avoiding protectionism and economic nationalism.

Key messages

On industrial strategy and key performance indicators

- We must move forward on our agenda announced in the **new industrial strategy**.
- The transition of our industry can only be envisaged within the framework of a balance between our three ambitions, which are mutually reinforcing: a green, digital and resilient Europe.
- The objectives of our industrial strategy also guide our **recovery plan**, which is historic both in its volume and its political, institutional and budgetary architecture. We need to ensure the recovery is sustainable, inclusive and fair for all Member States, regions and cities.
- The COVID-19 crisis has given increasing momentum to deliver on these objectives and build on the recovery as an opportunity to accelerate our joint efforts.
- EU Institutions, Member States and regions, alongside industry and all other relevant actors, have to work together to ensure that our **industry emerges from this crisis** stronger than before, greener, more digital and more resilient.
- A deeper and more digital **Single Market**, upholding a global level playing field, working towards climate neutrality and a more a circular economy, fostering innovation, skills and investments will be essential to make this happen.
- The implementation of the industrial strategy is on track with many measures already presented by the Commission, e.g. the white paper on foreign subsidies, the action plan on critical raw materials, the skills agenda.
- We will **update the industrial strategy** next year, taking into account the accelerated transformation and the changing global competitive landscape.
- With the new industrial strategy, we propose a new type of governance based on an approach on **industrial ecosystems**, incorporating all players operating in a value chain.
- These industrial ecosystems bring together all the players in a sector, from large companies to small SMEs and start-ups, from training centres to research institutes, and related services to suppliers.
- This strategy will only work if businesses within industrial sectors and between them join forces.

- **Industrial alliances** can be an important tool to bring all actors together and identify technology needs, investment opportunities and regulatory barriers and enablers at all stages of the value chain. Such an approach has already shown its advantages in the field of batteries, bringing the EU to a position of industrial frontrunner in this key technology.
- The Commission launched in July the European Clean Hydrogen Alliance, and in September, we launched the new Raw Materials Alliance.
- Alliances will have a flexible governance framework built on the principles of openness, transparency, diversity and inclusiveness. They will be open to Member States, regions, companies of all sizes, civil society, associations, experts, research & innovation communities, covering the whole value chain.
- We are currently preparing the mandate for the **industrial forum** announced in the March Industrial strategy that will involve the Member States and other stakeholders.
- It will be a new, inclusive and open mechanism for co-designing solutions with stakeholders, supporting the Commission in its systematic analysis of the different ecosystems and in assessing the different risks and needs of industry as it embarks on the twin transitions and the strengthening of its resilience.
- **We have always monitored** the health and competitiveness of EU industry, with a number of indicators and reports. **In the industrial strategy, we proposed** a regular monitoring of the implementation and analysis of a **set of key performance indicators**.

Contact – briefing coordination: [REDACTED]

Contact – briefing contribution: [REDACTED]