

DG GROW
**Meeting between Commissioner Breton and representatives of the European Round Table
for Industry (ERT)**
23 February
ERT contribution to industrial strategy

BRIEFING NOTE *(Commission Internal)*

Scene setter/Context of the meeting:

The European Round Table for Industry (ERT) Members include CEOs and Chairs from around 55 of Europe's largest companies in the industrial and technological sector. [REDACTED]

[REDACTED] ERT Competitiveness and Innovation Committee, would like to discuss the way in which ERT could contribute to support the preparation and implementation of the update of the Industrial Strategy.

ERT [REDACTED] is a member of the newly established Industrial Forum. ERT published in November a position paper calling for key performance indicators to measure progress of the EU industrial strategy.

Objective of the meeting:

- Confirm the importance of dialogue with stakeholders in the industrial strategy development and implementation.
- Prepare positive reception of the updated Industrial Strategy – foreseen for 17 March – by ERT.

KEY messages

For all items at the agenda

- ERT is an important partner for the implementation of the new Industrial Strategy and its update.
- We are looking forward to ERT's active contribution in the newly established Industrial Forum.
- We count on ERT support for the Industrial Strategy update.

Line to take

[A new Industrial Strategy for Europe]

- In March 2020 we presented a new Industrial Strategy for Europe.
- It aims to facilitate European industry's efforts to lead the twin transition to climate neutrality and digital leadership, towards increased competitiveness on the global stage.

[Updating our industrial strategy, industrial ecosystems, strategic dependencies, KPIs]

- The COVID-19 crisis has confirmed our priorities set last year.
- It has also accelerated trends such as green and digital transformations and our reflexions about the resilience of supply chains.
- In light of the lessons learnt, we will present an update of our Industrial Strategy in the coming weeks.
- We will further look into the transformation needs and challenges that **industrial ecosystems** are facing.
- They include all players operating in a value chain, from large companies to small SMEs and start-ups, from training centres to research institutes, and related services to suppliers.
- Our Industrial Strategy update will also focus on **strengthening resilience and building strategic capacities**.
- Our work starts with a more structural monitoring of disruptions, dependencies and risks.
- As a first step, the Commission has implemented a bottom-up mapping to identify and assess possible strategic dependencies, based on a comprehensive methodology, starting with a few critical ecosystems (e.g. public health or key elements in our ability to drive the green and digital transition).

- Our work will cover both the angle of resilience in global value chains as well as competitiveness in advanced technologies.
- In the update of the Industrial Strategy, we will also propose a set of **key performance indicators** for monitoring the industrial strategy and competitiveness, in line with the request of the Council [16 November 2020].

[Contribution of ERT to industrial strategy development and implementation]

- The Commission has an important industrial ambition for Europe.
- We need our industry leaders to share this ambition at a time of accelerating technological race and aggressive global competition.
- Our industrial strategy is based on a method of partnership and cooperation between EU institutions, Member States and industry.
- We see ERT as an important partner on industrial strategy. Commitments from its CEO members can be an important contribution to successful implementation, be it on upskilling and reskilling or on the transition to climate-neutrality and circularity.

[Contribution of ERT to work on Industrial Forum]

- We will continue working closely with all relevant players in the assessment of our analysis, for instance in the context of the recently established **Industrial Forum**.
- This new, inclusive and open mechanism for co-designing solutions gather Member States and a wide range of stakeholders, including European industrial associations, NGOs,

trade unions, research and technology organisations, and associations of regions and clusters.

- It will bring all Member States and industrial stakeholders together for the implementation of the industrial strategy.
- The Forum will be of great value: with the approach for the 14 industrial ecosystems, as well as for the cross-cutting challenges and opportunities for our industry.
- I am looking forward to active contribution from ERT to the work of the Industrial Forum, reflecting an important number of companies.
- The first meeting took place on 1 February, ahead of the update of the Industrial Strategy. Future meetings will take place in April and in the second half of the year.
- In our first meeting, discussions focused on the digital and green transitions, the need for inclusiveness and the importance of a strong Single Market, innovation, skills and the creation of quality jobs.
- Moreover, members highlighted the importance of keeping a green and digital focus in the recovery investments.

Background

Assessment of ERT paper

In November 2020, ERT published a paper titled “Putting the EU Industrial Strategy into action: KPIs for tracking progress and benchmarking competitiveness”

Main messages of the paper

The paper proposes a set of 28 indicators, organised around 4 main dimensions: (i) Output performance, (ii) Internal processes, (iii) Future orientation, (iv) global relationships. This set of indicators is complemented by 5 headlines indicators: Gross value added, Employment, Wages and salaries, Fixed investment, Goods exports.

Very importantly, each indicator is matched to a **target**. Most of the targets are dynamic, as they are set based on a global benchmark, that can change over time. For instance, rather than saying that EU industry should account for 20% of total GVA, they say that it should account for at least the same share of global industry to global GVA.

ERT invites the European Commission to:

1. Develop and formally **adopt Key Performance Indicators**, as a basis for regular monitoring.
2. **Set targets for EU competitiveness**, as the other targets (green and digital) cannot be achieved without competitiveness.
3. Publish data on the KPIs every year as a new “**European Competitiveness Report**”.



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