

# Mid-term review of industrial policy: a contribution to the EU's growth and jobs strategy

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The Council adopted Conclusions on 'an integrated approach to competitiveness' in which it welcomes the Commission's vision for the Growth and Jobs Strategy and stresses that the new cycle will represent the key instrument for tackling the current challenges. The Council acknowledges the need to reinforce competitiveness in tackling further reforms, at the Member States in particular in the following policy areas:

- enhancing the role of Industrial Policy, focusing on favourable and stable framework conditions to improve sustainability, technology and innovation;
- putting more emphasis on SMEs, taking into account their role as drivers of growth and job creation;
- endorsing education and training as a key driver of the Lisbon Strategy;
- promoting the role of R&D and innovation, including non-technological innovation;
- ensuring an efficient and effective Internal Market;
- accelerating the implementation of the Better Regulation Agenda, including the reduction of administrative burdens; and
- developing the external dimension of competitiveness.

Concerning industrial policy, the Council emphasises the importance of a **strong and dynamic industrial base** and the need to reinforce industrial policy. It considers that the main role of industrial policy at EU level is to set clear long-term priorities and to strengthen and deepen the right framework conditions for enterprise development and **increased innovation**, taking into account the needs of small and medium-sized enterprises (SMEs) and the impact on the different EU industrial sectors. The objective is also to make Europe a world leader in environmentally friendly and **socially acceptable low-carbon and energy- and resource-efficient products, technologies and services**.

The Member States and the Commission are called upon to take further action, in what concerns the European and international Regulatory Framework and international trade rules and standards to achieve a worldwide level playing field.

The Council underlines that **lifelong learning programmes** should be designed in such a way as to boost competitiveness, technological development, innovation, entrepreneurship and to anticipate the adjustment to structural changes.

The Commission is invited to implement without delay the work programme for 2007-2009 set out in this Communication on the mid-term review of industrial policy. In this regard, the Council welcomes the **new sectoral initiatives** put forward by the Commission on food processing and electrical engineering and notes with interest the stepping up of the ongoing work on space industry, defence equipment market and non-military security research and in the pharmaceutical sector. It invites the Commission to continue implementing the follow-up of the initiatives on automotive and mechanical engineering sectors.

The Council also supports Commission's intention to build on ongoing work by means of **the new horizontal initiatives** proposed. In this regard, it stresses that, in order to strengthen international competitiveness, the main objectives of the initiative on **sustainable industrial policy** should be: a) speeding-up of eco-innovation and development of markets for low carbon and energy and resource

efficient technologies, sustainable products and services; b) the exploitation of the full potential of the internal market and creation of conditions for global competition; and c) the exploitation of the first mover advantage by European companies.

In this context, it underlines the importance of using the following **tools** in a proportionate manner, taking into account the SMEs specificities, where appropriate:

- use of product policy, including the identification and promotion of “advanced performance” benchmarks;
- leveraging innovation, including technological and non-technological innovation, with efficient and effective use of Community funding programmes and Community State Aid rules on Environmental Protection and on Research, Development and Innovation;
- developing an internal market for renewables and energy efficient technologies, products and services and an efficient operation and completion of EU internal market for gas and electricity;
- promoting Global Sectoral Agreements to reduce the environmental impact of industry worldwide and to create a level playing field for industry sectors internationally;

The Commission is invited to keep the Council informed of the progress achieved and the results of the initiatives, and to set out, when appropriate, a further programme of measures aimed at strengthening the competitiveness of industry in Europe.