

Implementation of the Updated New Industrial Strategy for Europe: aligning spending to policy

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The European Parliament adopted by 503 votes to 40, with 18 abstentions, a resolution on the implementation of the updated new industrial strategy for Europe: aligning spending to policy.

Parliament considered that the Green Deal for Europe must be accompanied by an **ambitious industrial policy** in order to become a competitive front runner in a net-zero greenhouse gas (GHG) emissions and sustainable economy, and to create synergies between businesses, small and medium-sized enterprises (SMEs) and start-ups, and that it needs to be supported by an ambitious R&D policy and SME-friendly framework. The current energy and climate crisis and Russia's war of aggression against Ukraine have considerably reinforced this need. A functioning European single market is also an important asset for strengthening industrial resilience, the attractiveness of Europe as an investment destination and the competitiveness of the Union, as well as for the development of the ecological and digital transitions.

Strengthening competitiveness and industrial resilience

The Russian aggression against Ukraine has shown that the **EU is heavily dependent on third countries** for its energy supply. Members underlined that the EU cannot be dependent on non-EU countries for products, energy, manufacturing capacities and technologies that are essential to its economy and for its society of the future. They stressed that the EU needs to **regain a strong position in crucial global value chains and secure the supply of critical raw materials** in times of crisis.

The EU should **refocus its industrial and energy policies** with the aim of diversifying its energy sources as quickly as possible, increasing energy savings and energy efficiency measures, as well as deploying massive volumes of renewables and adopting a much stronger circular economy approach across industries based on resilient and sustainable supply chains.

Strengthening innovation

Recalling that Europe's industrial competitiveness depends heavily on its capacity to innovate, Parliament reiterated the importance of an ambitious level of investment in R&D to improve the EU's competitive position in the world.

As regards **key enabling technologies**, the resolution called on the Commission to: (i) help close the investment gap with its global competitors; (ii) rapidly launch the delayed work of the **European Industrial Alliance for Processors and Semiconductor Technologies**; (iii) rapidly extend these initiatives to key enabling technologies such as batteries, artificial intelligence, cybersecurity, automation and robotics, biotechnology, edge computing, photonics and quantum computing and technology.

Made in EU

Parliament stressed the need to develop the 'Made in EU' initiative and to accelerate the uptake of Industry 4.0 technologies, particularly SMEs. 'Made in Europe' should not only mean quality and innovation, but also industrial products, processes and services that are sustainable in the long term and socially fair.

Facilitating the transition to a circular economy

Members stressed the importance of the EU's zero pollution ambition and a fully integrated circular economy to create an efficient and decarbonised industry. They asked the Commission to analyse how products can be recycled and reintroduced into the product cycle and to pay particular attention, in terms of funding and tender opportunities, to the projects of companies that are at the forefront of innovation in the circular economy.

Public procurement

Public procurement is a key instrument of national and economic security, industrial policy and ecological and social sustainability. Members stressed that procurement mechanisms should further support the transformation of European industry by encouraging the production of eco-innovative, cost-effective and sustainable goods and services.

Education and training

According to the resolution, transition pathways should not neglect education and reskilling. They called on the Commission and the Member States to develop a vocational training strategy and to establish partnerships between business and education, with the collaboration of the social partners.

Members called on the Commission and Member States to **help world-class researchers and professors in the EU** to lead the education, research, development and training agenda of the future workforce, and to improve collaboration between education and training, research and business. It stressed the need for Member States to implement the Pact for Skills and other EU initiatives aimed at creating reskilling and upskilling opportunities for the workforce.

SMEs and start-ups

Given the central role that SMEs and start-ups play in the EU's industrial ecosystems, in particular for the digital transformation, Members stressed the need to improve access to European and national funding for these companies and draw attention to the need to **remove existing barriers in the single market** that hamper the growth of SMEs and start-ups in Europe, as well as the need for an improved legal and regulatory framework.

Energy policy

The resolution stressed the need for a fundamental reorientation of European energy policy in response to Russia's violent invasion of Ukraine. It called for a significant reduction in the EU's energy dependence, especially on Russian gas, oil, coal and nuclear power. It called on the Commission and Member States to: (i) increase renewable energy and low-carbon transitional energy production capacity that is sustainable, secure, affordable and available in large quantities; and (ii) increase energy saving and energy efficiency measures.

The resolution also stressed, *inter alia*, the need to:

- fully exploit the energy efficiency potential of industrial heating and cooling;
- step up efforts to unlock the potential of the circular bioeconomy;
- establish fast-track permitting procedures for infrastructure that contributes to industry's transition to a climate neutral circular economy;
- create a hydrogen backbone in Europe and increase interconnections across the continent.

Maintaining a level playing field

Members are concerned about unfair competition, investment and takeovers by non-EU state-owned companies in the single market, especially in strategic sectors such as energy supply. They called on the Commission to ensure a level playing field, especially for SMEs, and to put in place adequate and legally sound measures to prevent such interference.

Parliament called on the Commission, with a view to the next review, to broaden the scope and definitions of the framework for foreign direct investment to address the effect of foreign subsidies on economic security in the EU and of technology transfers by EU companies in non-EU countries in strategic sectors.