Basic information

2003/2063(INI) INI - Own-initiative procedure	Procedure completed
Enlargement: industrial policy and competitiveness **Subject** 8.20.17 Industry, research, energy and enlargement	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, External Trade, Research, Energy	ZRIHEN Olga (PSE)	23/01/2003

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	MAYOL I RAYNAL Miquel (V/ALE)	17/02/2003
EMPL Employment and Social Affairs	GILLIG Marie-Hélène (PSE)	12/02/2003

Council of the European Union

Council configuration	Meetings	Date
Competitiveness (Internal Market, Industry, Research and Space)	2505	2003-05-13

European Commission

Commission DG	Commissioner
Internal Market, Industry, Entrepreneurship and SMEs	

Key events

Date	Event	Reference	Summary
11/12/2002	Non-legislative basic document published	COM(2002)0714	Summary
10/04/2003	Committee referral announced in Parliament		
13/05/2003	Resolution/conclusions adopted by Council		
02/10/2003	Vote in committee		
02/10/2003	Committee report tabled for plenary	A5-0328/2003	

22/10/2003	Debate in Parliament		
23/10/2003	Decision by Parliament	T5-0464/2003	Summary
23/10/2003	End of procedure in Parliament		

Technical information	
Procedure reference	2003/2063(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/19412

Enlargement: industrial policy and competitiveness

2003/2063(INI) - 23/10/2003 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report by Olga ZRIHEN (PES, Belgium) on industrial policy in an enlarged Europe. Parliament proposed an action plan to the Commission which could be based on some of the following measures and activities: - incorporating the aims of industrial policy into all policies, measures, and activities pursued by the Community; - taking into account the lower potential and expertise of the new Member States to make efficient use of Community policies and instruments and the need to secure equal access and clear orientation in the process; - harmonising national taxation systems that adversely affect the single market; - further simplifying administration for all companies and simplifying the formalities required to allow EC-based companies to be set up, for example by introducing a single EC document for that purpose; - incorporating education, training and skills into industrial policy. Parliament welcomed the idea of using the open coordination method to facilitate the implementation of a proactive industrial policy aimed at: - consolidating businesses that are subject to competition by establishing better conditions for them in the European area, thus enabling a key industrial sector able to offer employment at all levels to be maintained and developed; - tying in with regional policies with a view to better management of relocations and new industrial sitings; - improving coherence with employment policy, particularly by using the structural funds designated for this purpose. Parliament went on to state that it is not enough to keep only the headquarters of industrial undertakings in Europe, but that production activities and sites must be protected by means of appropriate framework conditions. Parliament cited legislative proposals, such as the directive on emissions trading, the regulation on the new chemicals policy, the directive on transport costs and the directive on environmental liability. The Commission needs to study how the EU can mobilise competition policy to boost industrial competitiveness, for instance by reviewing the block exemptions concerning tax systems and regional or cross-border subsidies and encouraging companies to join forces, in particular in the research and technological sphere. Parliament called upon Member States to create a more SME-friendly tax system and use tax incentives to stimulate private investment, in particular in the fields of research, education, training and lifelong learning, while at the same time ensuring stable financing for social protection and creating more job opportunities. An overall industrial strategy must encompass large-scale European projects involving both public and private partners, following the model of the Galileo project, in key sectors such as renewable energy sources, nanotechnologies, health, space, steel, security, and defence.

Enlargement: industrial policy and competitiveness

2003/2063(INI) - 11/12/2002 - Non-legislative basic document

PURPOSE : to present the communication from the Commission on industrial policy in an enlarged Europe. CONTEXT : in 1990 the European Commission set out its broad strategy vis-à-vis industrial policy in the European Union. This strategy has been refined and re-examined in the ensuing years. Nevertheless, with the EU on the threshold of enlargement, the Commission recognises the need to open up a new debate on the future of the EU's industrial policy within such an enlarged Europe. Any considerations regarding industrial policies hinge to a large degree on the conclusions of the Lisbon Council in 2000. The then EU Heads of State set the goal of making the EU "the most competitive and dynamic knowledge-based economy in the world, capable of sustainable growth with more and better jobs and greater social cohesion." Manufacturing output has declined remarkable in the past years and yet it still accounts for a large share of the wealth generated in the EU. The share of the services sector in EU output has increased from 52% in 1970 to 71% in 2001, while that of manufacturing has decreased from 30% to 18% in the same period. None the less the Commission urges policy makers not to assume that the manufacturing industry no longer plays a key role. Services and manufacturing are inter-twined and inter-dependant. This applies not only to outsourcing (an increasing trend) but also to other services associated with products. Manufacturing innovations have opened the way for totally new service concepts, as with telecommunications and information technologies. It is, after all through manufacturing, those most new technological applications and introduced. Also, knowledge-based scientific breakthroughs only lead to new products if a solid and efficient manufacturing base exist to produce them. On the positive side, the Commission notes that most industrial sectors have made substantial effort to upgrade their production and integrate new forms of organisations. This process has led to an upgrading of the skill content jobs and accounts for the rising demand of highly skilled labour. Moreover with sustainable development an increasingly important factor in manufacturing the European

industry has, for example, begun to break the link between production and emissions of airborne pollutants. In terms of international trade the EU's industry remains a dominant force. On the negative side, there remains a productivity growth gap between European manufacturing and those of its competitors in the USA and Japan. Although there has been a big increase in ICT investment this has yet to be translated into productivity gains. Similarly, EU innovative performance remains weak. Research investment in the EU is only 1.9% of GDP in 2000 compared to 2.7% in the USA and 3% in Japan. In terms of the implications of enlargements the Communication notes that most, if not all, of the candidate countries are ready to integrate into the EU's industrial economy. Some problems remain outstanding relating for the most part to the differences in manufacturing. Most candidate country's industry is less specialised and still centred on low-technology sectors including food and beverages, textiles, wood products and basic metal industries. Some countries are also having difficult implementingthe EU's acquis - in particular the high cost legislation relating to areas such as the environment. Bearing all of this in mind there are a number of challenges facing industry within the EU. Most important is globalisation, which requires EU industry to respond quickly to unforeseen developments and an increased convergence on regulatory issues. Other challenges include technological and organisational changes, improved innovation and entrepreneurship, improved investment in sustainable development and lastly the recognition of changing societal demands. The Commission proposes that all these challenges can be met through the promotion of innovation, knowledge and research, the promotion of entrepreneurship and the promotion of sustainable industrial production. To conclude the Commission believes that the EU's industrial policy has three key tasks that need to be implemented. - The first, to set out the boundaries within which industry and entrepreneurs can pursue their ambitions. - The second, to ensure that the conditions are present for industry to develop and to realise their competitive potential. - The third, to ensure that the framework, institutions and instruments are in place and functioning efficiently allowing for a stable business environment. The newly established "Competitive Council" will play a key role in pushing forward the process started with this Communication.