Basic information

2013/2006(INI) INI - Own-initiative procedure	Procedure completed
Reindustrialising Europe to promote competitiveness and sustainability **Subject** 3.40 Industrial policy 3.40.14 Industrial competitiveness 3.70.20 Sustainable development 5.05 Economic growth	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	BÜTIKOFER Reinhard (Verts /ALE)	21/11/2012
	Shadow rapporteur PROUST Franck (PPE) ANDRÉS BAREA Josefa (S&D) JOHANSSON Kent (ALDE) SZYMAŃSKI Konrad (ECR) HÉNIN Jacky (GUE/NGL) TZAVELA Niki (EFD)	

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	DE SARNEZ Marielle (ALDE)	26/11/2012
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	BOULLAND Philippe (PPE)	17/01/2013
ENVI Environment, Public Health and Food Safety	CYMAŃSKI Tadeusz (EFD)	12/02/2013
IMCO Internal Market and Consumer Protection	GEBHARDT Evelyne (S&D)	06/11/2012

TRAN	Transport and Tourism	The committee decided not to give an opinion.	
REGI	Regional Development	IRIGOYEN PÉREZ María (S&D)	18/12/2012
JURI	Legal Affairs	The committee decided not to give an opinion.	
FEMM	Women's Rights and Gender Equality	PAPADOPOULOU Antigoni (S&D)	25/03/2013

European Commission

Commission DG	Commissioner
Internal Market, Industry, Entrepreneurship and SMEs	TAJANI Antonio

Key events

Date	Event	Reference	Summary
10/10/2012	Non-legislative basic document published	COM(2012)0582	Summary
17/01/2013	Committee referral announced in Parliament		
28/11/2013	Vote in committee		
18/12/2013	Committee report tabled for plenary	A7-0464/2013	Summary
14/01/2014	Debate in Parliament		
15/01/2014	Decision by Parliament	T7-0032/2014	Summary
15/01/2014	Results of vote in Parliament		
15/01/2014	End of procedure in Parliament		

Technical information

Procedure reference	2013/2006(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/11138

Documentation gateway				
European Parliament				
Document type	**Committee**	**Reference**	**Date**	**Summary**
Committee opinion	IMCO	PE504.038	06/05/2013	
Committee draft report		PE510.843	18/06/2013	
Committee opinion	INTA	PE506.367	20/06/2013	
Committee opinion	ENVI	PE508.269	21/06/2013	
Committee opinion	REGI	PE513.076	12/07/2013	
Amendments tabled in committee		PE516.804	09/08/2013	
Amendments tabled in committee		PE516.811	13/08/2013	
Amendments tabled in committee		PE516.812	13/08/2013	
Committee opinion	FEMM	PE514.686	03/09/2013	
Committee opinion	EMPL	PE514.592	26/09/2013	
Committee report tabled for plenary, single reading		A7-0464/2013	18/12/2013	Summary
Text adopted by Parliament, single reading		T7-0032/2014	15/01/2014	Summary
European Commission				
Document type		**Reference**	**Date**	**Summary**
Commission document (COM)		COM(2012)0582	10/10/2012	Summary
Commission response to text adopted in plenary		SP(2014)320	26/05/2014	
National parliaments				
Document type	**Parliament /Chamber**	**Reference**	**Date**	**Summary**
Contribution	DE_BUNDESRAT	COM(2012)0582	19/12/2012	
Contribution	CZ_SENATE	COM(2012)0582	24/04/2013	

Reindustrialising Europe to promote competitiveness and sustainability

2013/2006(INI) - 10/10/2012 - Non-legislative basic document

PURPOSE: to set out a European Strategy for industrial policy.

BACKGROUND: industry still accounts for **4/5 of Europe's exports** and 80% of private sector R&D investment comes from manufacturing. Europe is a **world-leader** in many strategic sectors such as automotive, aeronautics, engineering, space, chemicals and pharmaceuticals.

However, the continuing economic crisis has put Europe's industry under pressure: **production is 10% lower than before the crisis** and **over 3 million industrial jobs have been lost**.

Europe needs **new industrial investment** at the time when lack of confidence, market uncertainty, financing problems and skills shortages are holding it back.

Europe needs to **reverse the declining role** of industry in Europe from its current level of around 16% of GDP to as much as **20% by 2020**. To achieve this, a comprehensive vision is needed, focusing on investment and on innovation, but also mobilising all the levers available at EU level, notably the single market, trade policy, SME policy, competition policy, environmental and research policy in favour or European companies' competitiveness.

CONTENT: building on the Communication entitled "Integrated Industrial Policy for the Globalisation Era" adopted by the Commission in 2010, the Commission proposes a proactive approach to industrial policy based on the following **four main elements**:

(1) Investment in innovation: the EU must provide the right framework conditions to stimulate new investments, speed up the adoption of new technologies and boost resource efficiency. These include technical regulations and Internal Market rules, as well as accompanying measures such as infrastructure and R&D/innovation projects. As a first step, **six priority areas for immediate action** are proposed in this Communication:

- ***markets for advanced manufacturing technologies for clean production***: these technologies represent an important business opportunity, with a global market that is expected to double in size to over EUR 750 billion by 2020;
- ***markets for key enabling technologies***: the global market in Key Enabling Technologies (KETs), which comprises micro- and nanoelectronics, advanced materials, industrial biotechnology, photonics, nanotechnology and advanced manufacturing systems, **is forecast to increase by over 50% from EUR 646 billion to over EUR 1 trillion by 2015**, which is equivalent to around 8% of the EU's GDP;
- ***bio-based product markets***: the volume growth of EU bio-based chemical products up to 2020, including bio-plastics, bio-lubricants, bio-solvents, bio-surfactants and chemical feedstock, is estimated at 5.3% p.a., resulting in a market worth EUR 40 billion and providing over 90,000 jobs within the biochemical industry alone;
- ***sustainable industrial policy, construction and raw materials***: new investments in energy efficiency in residential and public buildings and infrastructure have strong growth potential and are expected to be worth some EUR **25-35 billion per year by 2020**;
- ***clean vehicles and vessels***: plug-in electric vehicles and hybrids are expected to account for some 7% of the market by 2020;
- ***smart grids***: by 2020, the EU will need to invest an estimated EUR 60 billion in these grids, rising to around EUR 480 billion by 2035.

(2) Better market conditions: the proposed actions aim to give a new impetus to the following areas:

- **improving the Internal Market for goods**: the Internal Market for goods accounts for 75% of intra-EU trade and possesses enormous untapped potential to boost EU competitiveness and growth. The Commission will conduct a critical evaluation of the acquis for industrial products, including a study and extensive consultation, and will produce a Roadmap for reform of the Internal Market for industrial products (2013);
- **fostering entrepreneurship to render the Internal Market more dynamic**: entrepreneurs need to exploit the full potential of the **digital single market** in the EU that is expected to grow by 10% a year up to 2016. The Commission will propose an Entrepreneurship Action Plan setting out recommendations to Member States on improvements to the framework conditions and support measures for entrepreneurship (November 2012);
- **protecting intellectual property rights**: the introduction of the unitary patent and the development of a unified patent litigation system in Europe will reduce costs and the fragmentation of patent protection in the Single Market. Other instruments could be used to complement the patent system such as optimising the use and protection of trade secrets is one of them; effective recognition of the value of their patents; protecting IP rights from ever increasing levels of counterfeiting and pirating of products;
- **improving access to international markets**: the EU is the world's leading trading power, but the world economy is changing rapidly and becoming increasingly multipolar. The Commission works to open markets and connect Europe to the main sources and regions of global growth. It will continue to push for an ambitious trade and investment agenda, in a **spirit of reciprocity and mutual benefit** as well as a comprehensive enforcement agenda, focusing in particular on market access, dismantling barriers, opening up public procurement, ensuring effective enforcement of trade rules (e.g. related to subsidies), the best standards of protection for international investments and the full protection of intellectual property rights.

(3) Adequate access to finance and capital markets: access to capital markets and credit constitutes a major problem for European business. This is why the Commission is proposing a set of measures aiming to improve access to capital markets:

- **Cohesion Policy** provides an integrated approach to address the needs of SMEs, covering all phases of business creation and development, and is the largest source of EU support to SMEs with a total volume of EUR 25 billion directly targeted at SMEs in the current financial period (2007-13);
- the capital increase of the **European Investment Bank** of EUR 10 billion is estimated to generate EUR 60 billion of additional lending capacity in the near future. In principle, between EUR 10-15 billion will be allocated to SMEs;
- the Commission has also proposed an action plan to create a **true Single Market for Venture Capital funds** in Europe and for a new European Social Entrepreneurship Funds regime.

(4) Encourage the role of human capital and skills: market adjustments during the crisis and its aftermath require close coordination of relevant EU policies and for joined-up efforts on the part of the EU and Member States. In order to match skills and jobs, the Commission will develop **a European multilingual classification** of Skills, Competences and Occupations. It will promote the creation of the European Sector Skills Councils and of Knowledge and Sectors Skills Alliances and support the development of multi-stakeholders partnerships in the ICT sector to improve the skills shortage in the ICT sector. Lastly, it will support Member States in "rethinking skills" by providing them with policy guidance in a future Communication.

As regards **governance**, the Competitiveness Council will **annually assess progress** in the implementation of structural reforms and on the effectiveness of industrial policy measures to strengthen competitiveness, ensuring that it fits into the European Semester. In addition, different **task forces** for the priority action lines will be set up as soon as possible.

They will report once a year to the Competitiveness Council.

Reindustrialising Europe to promote competitiveness and sustainability

2013/2006(INI) - 18/12/2013 - Committee report tabled for plenary, single reading

The Committee on Industry, Research and Energy adopted the own-initiative report by Reinhard Bütikofer (Greens/EFA, DE) on reindustrialising Europe to promote competitiveness and sustainability. It noted that industry was responsible for 80 % of expenditure in the field of R&D and for much of the value creation in the economy, with **each job in industry creating approximately two additional jobs in the supply and service sectors.**

A 'Renaissance of Industry for a Sustainable Europe' (RISE) Strategy: the report stressed that the EU's future industrial strength lay in a RISE strategy which pursued technological, financial, environmental and social innovation towards a third industrial revolution, **solving the problem of unemployment** given that industry created one in four jobs, providing employment for some 34 million people. Industrial policy (IP) must address **comparative weaknesses in the EU economy,** whether they be a lack of R&D investment, development of energy prices, bureaucratic red tape or difficulty in accessing finance. RISE needed to promote the competitiveness of Europe's industrial base **through a value chain-conscious policy** that covered undertakings of all sizes, and was conducive to **maintaining the production chain in Europe.**

Members noted that European industry's share of aggregate European gross domestic product (GDP) had fallen from 20 % to 15 % in 15 years, and strongly supported the **headline target of 20 %,** which would necessitate the creation of at least 400 000 new industrial jobs per annum, and proposed that it should be seen as a directional goal aligned with the EU's 20/20/20 goals. IP must also be effectively integrated into the **European Semester process** and the national reform programmes in order to establish the requisite preconditions for investment and create good jobs. Members regretted that the current dominant macroeconomic policy in the EU did not provide adequate **access to capital for investment and innovation**, especially for SMEs and therefore ran counter to an IP. They deplored the Council's cuts to heading 1A of the multiannual financial framework (MFF), in particular to Horizon 2020, COSME and the Connecting Europe Facility, and called on Member States to substantially strengthen the financial power of those programmes. They also felt the future cohesion policy and the **European structural and investment funds to be pivotal** to the reindustrialisation of the EU and its regions, and they called for better coordination and synergies between cohesion policy and Horizon 2020 programmes in order to set up regional innovation incubators. They welcomed the 4 % share of funds that would be implemented through a dedicated SME instrument under the Horizon 2020 programme.

The report stressed the **importance of SMEs** and noted that they have also been hit hardest by the crisis. It called for specific SME support and assistance programmes to facilitate SMEs in becoming industrial champions in their field.

An innovation, efficiency and sustainable technology offensive: the report emphasised the need for innovation to be promoted across the board, and involving employees pro-actively in the innovation process. It called on the Commission to ensure sufficient leverage for private sector investment under Horizon 2020.

The report also discussed the importance of information and communications technology (ICT) developments, stressing the key role of broadband services. It welcomed the strategy for key enabling technologies and discussed further action in the fields of clean production, advanced manufacturing, investment in smart grids and energy efficiency. It called for a cluster policy and cluster networks in the form of cooperation, particularly in value chains, between connected companies, suppliers, service providers, universities and research centres. **Completing the internal market and opening external markets for RISE**: the committee called on the Commission and Member States to complete urgently the single market for goods, energy, telecommunications, transport, green products and venture capital as well as to guarantee the free movement of researchers, scientific knowledge and technology, since **failure to complete the internal market was a barrier to growth**. Members recommended further initiatives in terms of, inter alia, public procurement, market surveillance, the completion of the digital single market, and measures to assist SMEs.

They went on to discuss the **external dimension of industrial policy**, asking Commission to ensure that the Union's trade and competition policy was compatible with the objectives of European industrial policy and that it did not jeopardise the innovative and competitive potential of European companies. The report contained several recommendations, particularly regarding environmental and social standards in bilateral trade agreements and multilateral trade relations. It also stressed the need for revised trade defence instruments, including a more active anti-dumping policy.

Financing an Industrial Renaissance: Members stressed the need to **improve the legislative and financial framework** so as to encourage investment in industry, as well as the need for new **alternative and creative financing avenues**, in particular with regard to private and equity financing. They made several recommendations on innovative funding models and welcomed the Commission's initiative to create joint financial instruments with the EIB. The Commission was asked to develop an effective regulatory framework for crowd funding on a basis of up to EUR 1 million per project, and to support the creation of local bonds markets for SMEs.

Skills and labour force for an Industrial Renaissance: noting that, since the start of the crisis, roughly 5 500 European industrial companies had been restructured, resulting in the loss of some 2.7 million jobs, the report stated that IP would require **more and better access to training, lifelong learning, fit-for-the-future vocational training and university education,** a strong emphasis on the science, technology, engineering and mathematics (STEM) fields, and entrepreneurship support. It discussed action required in these fields from Member States and the Commission, including: forecasts regarding the skills required by the employment market, and addressing e-skills shortages at all education levels.

Resource and energy policy: Members warned that **without certain key raw materials, no future development would be possible in most strategic industries in Europe**. They also highlighted current trends in global energy prices, which were linked to unconventional oil and gas resources in the USA as well as developments in the Middle East, and noted that **high energy prices were an important factor affecting the competitiveness of European industries**. Members stressed the need to provide analyses of the factors influencing the price of energy and also emphasised that RISE required coherence between industrial, energy and climate policies.

A regional RISE strategy with particular attention to Europe's south: Members called on the Commission to promote full European infrastructure integration, especially for the southern economies, in particular in rail, energy and ICT, and stressed the need to gear the Connecting Europe facility to this effect. Members advocated a multi-regional industrial policy approach that relaunched sustainable growth in contracting economies and those exposed to significant risks to their industrial base.

Reindustrialising Europe to promote competitiveness and sustainability

2013/2006(INI) - 15/01/2014 - Text adopted by Parliament, single reading

The European Parliament adopted by 385 votes to 100 with 60 abstentions a resolution on reindustrialising Europe to promote competitiveness and sustainability. It noted that **each job in industry creating approximately two additional jobs in the supply and service sectors.**

A 'Renaissance of Industry for a Sustainable Europe' (RISE) Strategy: Parliament welcomed the Commission's focus on industrial policy (IP), which must address **comparative weaknesses in the EU economy,** whether they be a lack of R&D investment, development of energy prices, bureaucratic red tape or difficulty in accessing finance. The EU's future industrial strength lay in a RISE strategy which pursued technological, financial, environmental and social innovation towards a third industrial revolution, **solving the problem of unemployment** given that industry created one in four jobs, providing employment for some 34 million people. RISE needed to promote the competitiveness of Europe's industrial base **through a value chain-conscious policy** that covered undertakings of all sizes, and was conducive to **maintaining the production chain in Europe.**

Members noted that European industry's share of aggregate European gross domestic product (GDP) had fallen from 20 % to 15 % in 15 years, and strongly supported the **headline target of 20 %,** which would necessitate the creation of at least 400 000 new industrial jobs per annum, and proposed that it should be seen as a directional goal aligned with the EU's 20/20/20 goals. IP must also be effectively integrated into the **European Semester process** and the national reform programmes. Members regretted that the current dominant macroeconomic policy in the EU did not provide adequate **access to capital for investment and innovation**, especially for SMEs and therefore ran counter to an IP. They deplored the Council's cuts to heading 1A of the multiannual financial framework (MFF), in particular to Horizon 2020, COSME and the Connecting Europe Facility, and called on Member States to substantially strengthen the financial power of those programmes. They also felt the future cohesion policy and the **European structural and investment funds to be pivotal** to the reindustrialisation of the EU and its regions, and they called for better coordination and synergies between cohesion policy and Horizon 2020 programmes in order to set up regional innovation incubators. They welcomed the 4 % share of funds that would be implemented through a dedicated SME instrument under the Horizon 2020 programme.

Parliament stressed the **importance of SMEs** and noted that they have also been hit hardest by the crisis. It called for specific SME support and assistance programmes to facilitate SMEs in becoming industrial champions in their field.

Parliament deplored the absence in the Commission proposal of any measures against wage dumping and social dumping and concerning employee participation and restructuring.

An innovation, efficiency and sustainable technology offensive: Parliament emphasised the need for innovation to be promoted across the board, and involving employees pro-actively in the innovation process. It called for legislative proposals and studies on resource efficiency in order to take account of the viability of an investment on the basis of the criteria of effectiveness, profitability and long-term effects, and asked the Commission to further promote 'life-cycle' thinking by means of an integrated product policy (IPP) which gives consideration to the whole of a product's life cycle (cradle-to-cradle approach).

Parliament stressed the key role of broadband services and .welcomed the strategy for key enabling technologies and discussed further action in the fields of clean production, advanced manufacturing, investment in smart grids and energy efficiency. It called for a cluster policy and cluster networks in the form of cooperation, particularly in value chains, between connected companies, suppliers, service providers, universities and research centres. **Completing the internal market and opening external markets for RISE**: Parliament completion of the single market for goods, energy, telecommunications, transport, green products and venture capital, since **failure to complete the internal market was a barrier to growth**. Members recommended further initiatives in terms of, inter alia, public procurement, market surveillance, the completion of the digital single market, and measures to assist SMEs. They stressed the importance of IPR enforcement in the physical and digital environments for job creation in European industries and welcomed the ongoing reform of the EU trademark system.

They went on to discuss the **external dimension of industrial policy**, stressing the importance of environmental and social standards in bilateral trade agreements and multilateral trade relations to establish fair and equitable trade and a global level playing field. The Commission must ensure that operators inside and outside the EU get on an equal footing. In addition, Parliament considered that the EU should phase in the principle of reciprocal trade relations, particularly with regard to access to public procurement markets and improve responsiveness, which could help in the opening-up of markets.

The resolution contained several recommendations, particularly regarding environmental and social standards in bilateral trade agreements and multilateral trade relations. It also stressed the need for revised trade defence instruments, including a more active anti-dumping policy and a genuine exchange rate policy.

Financing an Industrial Renaissance: Members stressed the need to **improve the legislative and financial framework** so as to encourage investment in industry, as well as the need for new **alternative and creative financing avenues**, in particular with regard to private and equity financing. They made several recommendations on innovative funding models and welcomed the Commission's initiative to create joint financial instruments with the EIB. Parliament called for an effective regulatory framework for crowd funding on a basis of up to EUR 1 million per project, and to support the creation of local bonds markets for SMEs.

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