European Commission - Press release

Making Europe's businesses future-ready: A new Industrial Strategy for a globally competitive, green and digital Europe

Brussels, 10 March 2020

Today, the Commission presents a new Strategy to help Europe's industry lead the twin transitions towards climate neutrality and digital leadership. The Strategy aims to drive Europe's competitiveness and its strategic autonomy at a time of moving geopolitical plates and increasing global competition.

The package of initiatives outlines a new approach to **European industrial policy** that is firmly rooted in **European values and social market traditions**. It sets out a range of actions to support all players of European industry, including big and small companies, innovative start-ups, research centres, service providers, suppliers and social partners. **A dedicated Strategy for small and medium-sized enterprises (SMEs)** aims to reduce red tape and help Europe's numerous SMEs to do business across the single market and beyond, access financing and help lead the way on the digital and green transitions. Today's initiatives also include **concrete steps to address barriers to a well-functioning single market**, Europe's strongest asset to allow all our businesses to grow and compete in Europe and beyond.

Ursula **von der Leyen**, President of the European Commission, said: *"Europe's industry is the motor of growth and prosperity in Europe. And it is at its best when it draws on what makes it strong: its people and their ideas, talents, diversity and entrepreneurial spirit. This is more important than ever as Europe embarks on its ambitious green and digital transitions in a more unsettled and unpredictable world. Europe's industry has everything it takes to lead the way and we will do everything we can to support it."*

Thierry **Breton**, Commissioner for Internal Market, said: *"Europe has the strongest industry in the world. Our companies - big and small - provide us with jobs, prosperity and strategic autonomy. Managing the green and digital transitions and avoiding external dependencies in a new geopolitical context requires radical change - and it needs to start now."*

The Industrial Policy package published today includes the following initiatives:

A new Industrial Strategy

To uphold Europe's industrial leadership, a new Industrial Strategy will help deliver on **three key priorities**: maintaining European industry's **global competitiveness** and a level playing field, at home and globally, making Europe **climate-neutral by 2050** and **shaping Europe's digital future**.

The Strategy sets out the key drivers of Europe's industrial transformation and proposes a comprehensive set of future actions, including:

- An **Intellectual Property Action Plan** to uphold technological sovereignty, promote global level playing field, better fight intellectual property theft and adapt the legal framework to the green and digital transitions.
- As competition brings the best out of our companies, the ongoing review of **EU competition rules**, including the ongoing evaluation of merger control and fitness check of State aid guidelines, will ensure that our rules are fit for purpose for an economy that is changing fast, increasingly digital and must become greener and more circular.
- We need fair competition at home and abroad. In addition to making the most of its toolbox of trade defence mechanisms, the Commission will adopt a **White Paper by mid-2020 to address distortive effects caused by foreign subsidies in the single market and tackle foreign access to EU public procurement and EU funding**. The issue related to foreign subsidies will be addressed in a proposal for a legal instrument in 2021. This will go hand in hand with ongoing work to strengthen global rules on industrial subsidies in the World Trade Organization, and actions to address the lack of reciprocal access for public procurement in third countries.
- Comprehensive measures to **modernise and decarbonise energy-intensive industries,** support **sustainable and smart mobility industries**, to promote energy efficiency, strengthen current carbon leakage tools and secure a sufficient and constant supply of **low-carbon energy** at

competitive prices.

- Enhancing Europe's industrial and strategic autonomy by securing the supply of critical raw materials through an **Action Plan on Critical Raw Materials** and pharmaceuticals based on a **new EU Pharmaceutical Strategy** and by supporting the development of strategic digital infrastructures and key enabling technologies.
- A **Clean Hydrogen Alliance** to accelerate the decarbonisation of industry and maintain industrial leadership, followed by **Alliances on Low-Carbon Industries** and **on Industrial Clouds and Platforms** and **raw materials.**
- Further legislation and guidance on **green public procurement.**
- A renewed focus on **innovation**, **investment** and **skills.**

In addition to a comprehensive set of actions, both horizontal and for specific technologies, the Commission will systematically analyse the risks and needs of different **industrial ecosystems**. In doing this analysis, the Commission will work closely with an inclusive and open **Industrial Forum**, to be set up by September 2020. It will consist of representatives from industry, including SMEs, big companies, social partners, researchers, as well as Member States and EU institutions. Where needed, experts from specific sectors will be called upon to share their knowledge. The Commission's annual **Industry Days** will continue to bring all players together.

A new SME Strategy

SMEs play a key role in Europe's industrial fabric, providing two out of three jobs, and are central to the success of this new industrial approach. The Strategy aims **to help SMEs to lead the twin transitions**, which also means securing access to the right skills. To build SMEs' capacity for these transitions, the Commission will upgrade the European Enterprise Network with dedicated **Sustainability Advisors**. It will also expand **Digital Innovation Hubs** across every region in Europe to empower SMEs to integrate digital innovations. It will open up possibilities for **volunteering and training on digital technologies**.

To make it easier for SMEs to operate in the single market and beyond, the Commission proposes actions to remove regulatory and practical obstacles to doing business or scaling up. Among them, the Commission is stepping up its efforts to ensure prompt payment, in particular through **a new virtual Observatory**, as well as through alternative dispute resolution. To make it more accessible for SMEs to go public in Europe, the Commission will also support an **SME Initial Public Offerings (IPOs) Fund** under the InvestEU SME window. It will also empower female entrepreneurship by stimulating investment in women-led companies and funds. Furthermore, the Commission invites Member States to ensure **one-stop shop assistance** to companies. The objective is to make Europe the best place to start a business and grow. It will work with Member States on an EU **Start-up Nations Standard** to share and adopt best practices to accelerate growth of high-tech SMEs and start-ups. To ensure political commitment for these measures, a **high-level EU SME Envoy** will guarantee close partnership and coordination with EU Member States through national SME envoys, as well as with regional and local authorities. It will also strengthen the SME perspective in EU legislation.

A single market that delivers for our businesses and consumers

The single market is one of Europe's greatest achievements and provides Europe's businesses with a large domestic market. It stimulates competition and trade within the EU. It provides EU citizens with a wider choice of goods and services and more employment and entrepreneurial opportunities. It gives European companies the leverage they need to become leaders on the global stage.

Nevertheless, Europeans continue to experience barriers that prevent them from fully exploiting the potential of the single market. Estimates show that **removing these barriers could bring up to €713 billion by the end of the decade**. The Report on barriers to the single market published today identifies a **broad range of obstacles in the single market** taking the perspective of Europe's **businesses** and **consumers**. It points to the root causes of such barriers: restrictive and complex national rules, limited administrative capacities, imperfect transposition of EU rules and their inadequate enforcement.

To address these barriers, the Commission adopts today **an Action Plan for Better Implementation and Enforcement of single market rules**, which aims at addressing obstacles that arise from violations of EU law. The Action Plan is based on a renewed partnership between Member States and Commission in their shared responsibility to ensure that single market rules are properly enforced and applied. In this context, the Action Plan launches a **Joint Task Force of the Commission and Member States** to strengthen cooperation on enforcement of single market rules. The Commission,

for its part, will support national and local authorities in their efforts to implement correctly European law and will not hesitate to take firm action against violations of single market rules.

Background

Industry plays a vital role in supporting Europe's economic growth and prosperity. European industry is a global leader in many sectors representing 20% of the total value added of the EU and providing jobs for 35 million people in the EU.

In March 2019, the European Council called for a comprehensive and long-term EU industrial policy Strategy along with an integrated approach for a deeper and stronger single market. The need for a new industrial way for Europe is reflected in President **von der Leyen**'s Political Guidelines, the priorities set out by the European Parliament and the European Council's Strategic Agenda 2019-2024, the European Green Deal and the Commission's Strategy on Shaping Europe's Digital Future.

For more information

Questions & Answers

FACTSHEET: A new Industrial Strategy for a globally competitive, green and digital Europe

FACTSHEET: Unleashing the full potential of European SMEs

FACTSHEET: A single market that delivers for businesses and consumers

A New Industrial Strategy for Europe

An SME Strategy for a sustainable and digital Europe

Identifying and addressing barriers to the single market

Business Journey on the Single Market: Practical Obstacles and Barriers

Action Plan for better implementation and enforcement of the single market rules

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Press contacts:

Sonya GOSPODINOVA (+32 2 296 69 53)
Federica MICCOLI (+32 2 295 83 00)
Célia DEJOND (+32 2 298 81 99)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email

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