

Commission Communication – A New Industrial Strategy for Europe

The European Commission has adopted a communication outlining its ambitions for Industry. The Commission points out the importance to safeguard and boost the EU's industrial sector as key to maintaining Europe's sovereignty and ensuring a level playing field with global competitors (such as the US and China), however that it also must reflect Europe's social and market values, as well as entrepreneurial spirit. The communication claims that it sets out the vision of what the EU wants to achieve by 2030 and beyond, as well as the fundamentals supporting that ambition.

A globally competitive and world-leading industry

It is pointed out that European Industry has a global competitive advantage on high value-added products and services, especially because it leads by example in social, labour, and environmental standards. It is imperative to ensure that industry becomes greener and more digital while remaining sustainably competitive on the global stage. For this to happen, the right conditions need to be set for entrepreneurs to turn their ideas into actions and for companies of all sizes to thrive and grow. In addition, strengthening business interests abroad is crucial through economic outreach and diplomacy through leveraging the impact, size, and integration of the single market.

Initiatives falling under this pillar include:

- A white paper on an instrument on foreign subsidies, looking at foreign access to public procurement and EU funding
- Strengthening global rules on industrial subsidies within the confines of the World Trade Organisation
- Swift adoption of the International Procurement Instrument
- Action plan on the Customs Union to reinforce customs controls, including a legislative proposal for an EU Single Window to allow for a fully digital clearance processes at the border.

A deeper and more digital Single Market

Thanks to the single market, EU companies benefit from a springboard to compete globally. However, legislation must be implemented and enforced across the board. Within this strategy, the Commission also adopted the Single Market Enforcement Action Plan and the Single Market Barriers Report, which break down the barriers facing businesses and put forward concrete proposals to strengthen joint efforts in this area.

Other initiatives falling under this pillar include:

- Setting up a Single Market Enforcement Task Force composed of Member States and the Commission
- An SME strategy for a sustainable and digital Europe
- Evaluating EU competition rules
- Intellectual Property Action Plan
- Follow up to the European Data Strategy
- Digital Services Act
- Improving the conditions for platform workers

An industry that paves the way to climate-neutrality and building a more circular economy

It is now a reality that European growth is tied hand in hand with the ambition of becoming carbon-neutral by 2050. It is imperative that all industrial value chains, including energy-intensive sectors work on accelerating the reduction of their carbon footprint, even by developing new business models if necessary. For this to happen, it is crucial to secure supply of clean and affordable energy and raw materials. Stepping up investment in R&D&I is crucial to develop new production processes.

Sustainability is also entrenched in our ability to give back more than we extract. Europe's industry must play a leading role in this transition. The way we design, make, use, and dispose of things must be revolutionized. Applying circular economy principles in all sectors and industries has the potential to create 700,000 new jobs across the EU by 2030.

Initiatives include:

- Strategy for smart sector integration
- A common European Energy Data Space to exploit the potential of data to enhance the innovative capacity of the energy sector
- Launch of the Just Transition Platform to offer technical and advisory support for carbon-intensive regions and industries
- EU strategy on clean steel and chemicals strategy for sustainability
- Review of the trans-European Network Energy regulation
- EU strategy on Offshore Renewable Energy
- Comprehensive Strategy for Sustainable and Smart Mobility
- Strategy on the built environment
- Carbon Border Adjustment Mechanism to reduce carbon leakage.
- Circular Economy Action Plan
- New Regulatory Framework for Sustainable batteries
- EU Strategy for Textiles
- Circular Electronics Initiative

- Better information on products and improved consumer rights to empower consumers to play an active role

An industry shaping Europe's digital future

Digitising European industry is crucial to contribute to the ambition of reaching carbon neutrality. Much of the ambitions in this regard are already spelt out on the *Strategy on Shaping Europe's Digital Future*, which the MBB has already reported upon.

Investing and Financing the transition

Many of the future EU programmes will help to promote the competitiveness of EU industry. This of course, depends upon swift agreement of the next long-term budget. However, new ways of unlocking private investment are required over and above this. The EU envisages blending EU money with Member States and other partners. InvestEU and the European Green Deal Investment Plan will help unlock private investment where it is needed.

Other initiatives include:

- Coordinated investment in the form of important projects of common European interest, while reviewing state aid rules for such projects
- A renewed sustainable finance strategy
- A new digital finance strategy
- Action Plan on the Capital Markets Union

Reinforcing Europe's industrial autonomy

The ambition is to reduce dependence on others for necessary and critical things, such as materials, technologies, food, etc. This also provides industry with an opportunity to develop its own new markets, products, and services. This requires a more strategic approach in the way we look at risk associated with foreign investment.

Initiatives include:

- Follow up to the 5G communication and the recommendation on cybersecurity of 5G networks
- Action Plan on synergies between civil, defence, and space industries
- A new EU pharmaceutical strategy including actions to secure supplies and ensure innovation
- An Action Plan on critical raw materials

This strategy includes three other communications that the MBB shall also report on:

- The SME strategy for a digital and sustainable Europe

- Long term-action plan for better implementation and enforcement of Single Market rules
- Identifying and addressing barriers in the Single Market

The Malta Business Bureau shall keep monitoring developments and update the Maltese businesses community accordingly.

Full text of the communication: https://ec.europa.eu/info/sites/info/files/communication-shaping-europes-digital-future-feb2020_en_4.pdf

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