



Council of the
European Union

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NOTE

From:	Presidency
To:	Delegations
No. prev. doc.:	8208/17 COMPET 253 IND 83
Subject:	Draft Council conclusions on "A future EU industrial policy strategy"

Delegations will find attached draft Council conclusions on "A future EU industrial policy strategy", with a view to the discussion by the Working Party on Competitiveness and Growth (Industry) at its meeting on 2 May 2017 in the afternoon.

Changes compared to document 8208/17 are indicated in **bold underlined** for additions and ~~strikethrough~~ for deletions.

**DRAFT COUNCIL CONCLUSIONS ON "A FUTURE EU INDUSTRIAL POLICY
STRATEGY"**

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- the conclusions of the European Council of 15 December 2016, which called on the Council and the Commission to evaluate the impact of mainstreaming industrial policy into the EU strategic initiatives, and to consider concrete action to strengthen and modernise the industrial base of the Single Market¹;
 - the Council conclusions on the Industrial Competitiveness Agenda², on the digital transformation of European industry³ and on the Digital Single Market Technologies and Public Services Modernisation package⁴,
- (1) UNDERLINES the essential role of industry as a ~~cornerstone~~ **major driver** for growth, employment and innovation in Europe and its contribution to the Union's prosperity⁵, as well as the critical importance of industry for dealing with major transformations **in the EU economy**, including sustainability, **servitisation** and digitisation; **EMPHASISES that this encompasses enterprises of all sizes operating in the manufacturing and services sectors;**

¹ Doc. EUCO 34/16, paragraph 19.

² Doc. 15890/14.

³ Doc. 9340/15.

⁴ Doc. 9524/16.

⁵ **This includes the positive contribution of industry towards the Union's gross domestic product.**

- (2) HIGHLIGHTS that industry and related services in the EU are ~~faci~~ng operating in a highly dynamic global environment, involving ~~societal~~political, technological, societal and sustainability challenges; UNDERLINES that it is essential to enhance the attractiveness of Europe's industrial ecosystems for ~~European and foreign direct~~triggering investment;
- (3) EMPHASISES the importance of fostering a competitive, forward looking and innovative industrial base in Europe; ACKNOWLEDGES that a holistic industrial policy approach based on integrated value chains, inter-clustering linkages and activities is crucial, with a particular focus on start-ups, scale-ups ~~and~~, mid-caps and SMEs; this approach should include, when necessary, sectorial initiatives for sectors facing economic change and high growth potential sectors; HIGHLIGHTS that this should embrace, amongst others, human capital, research, development and innovation, digital transformation, tackling efficiently and robustly unfair commercial practices, sustainable and affordable energy sources, resource efficiency, industrial servitisation and better regulation; ~~REITERATES that this encompasses all sizes of enterprises operating in all manufacturing and services sectors;~~
- (4) CALLS for further streamlining of legislation and removing unnecessary, discriminatory or disproportionate regulatory barriers in order to improve the functioning of the internal market and to stimulate a more growth-friendly regulatory environment for industry; ~~and~~ STRESSES the importance of addressing the cumulative effect of different policies and regulations on industrial competitiveness;

(5) ACKNOWLEDGES the various initiatives⁶ taken by the Commission to address the main challenges of industry and related services in the EU; ~~HIGHLIGHTS the importance of the existing funding instruments and the need to ensure their in the future~~; RECOGNISES the importance of a regular dialogue with all **relevant** stakeholders and NOTES the role of the EU Industry Day **and the declarations⁷ at the Digital Day in Rome** in this regard ~~process~~;

(5a) NOTES the importance of the EU financing instruments and the need to ensure their simplification, better coherence and better targeting in the future in order to support the growth of European enterprises of all sizes in an optimal manner;

(6) HIGHLIGHTS the importance of ensuring consistency whilst maximising synergies between various policies at EU, national and regional level and identifying possible needs and resources for new initiatives to strengthen the competitiveness of industry and related services in the EU; this should also take Member States' specificities into consideration; RECOGNISES that, as part of the debate on the 'Future of Europe', there is a need for a coordinated and strategic industrial policy framework at EU level;

(7) CALLS on the Commission to ~~provide~~:

- ~~[by February 2018] an assessment of the impact of mainstreaming industrial policy into the EU strategic initiatives, in line with the call of the European Council, accompanied by relevant recommendations~~ **provide the Council by the beginning of October 2017 with the outcomes and recommendations of the debate on the 'Future of Europe' relating to industry;**

⁶ This includes, amongst others, the Investment Plan, Capital Markets Union, Circular Economy, Energy Union, Digital Single Market and Single Market Strategy including the Start-up and Scale-Up Initiative, the Digitising European Industry Initiative, rule-based trade, the Skills Agenda and the Commission's work on research and innovation (including the industrial pillar in the existing framework programme), smart specialisation and economic diplomacy.

⁷ **In particular, related to investments on the development of high performance computing capacities, connected and automated mobility and digital skills.**

- ~~[by November]~~**include in the framework of its 2018 work programme and adopt by the first semester of 2018** a holistic EU industrial policy strategy⁸ for the future, accompanied by an **consistent and pragmatic** action plan **including concrete measures**; **this strategy should be** developed in close consultation with Member States and all relevant stakeholders **and should also include an assessment of the impact of mainstreaming industrial policy into the EU strategic initiatives taken since the beginning of 2015.**
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⁸ **This could include (1) taking stock of the global trends now and in the foreseeable future with a direct impact on European industry, (2) evaluating the strengths and weaknesses of European industry in relation to these trends, and (3) suggesting actions that the EU, Member States, enterprises and other actors could take to improve the competitiveness of European industry on the global market.**