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NOTE

From:	HLG Trio Presidency Chair
To:	The High Level Working Group on Competitiveness and Growth
Subject:	Information note on Strategic Forum on Important Projects of Common Interest

Delegations will find in Annex an Information note on Strategic Forum on Important Projects of Common Interest by the HLG Chair, in view of the meeting of the High Level Working Group on Competitiveness and Growth on 24 January 2018.

Information Note on Strategic Forum on Important Projects of Common Interest**1. CONTEXT**

The Single Market facilitates the integration of companies in European value chains. Strong European value chains help to create added value in Europe, ensure sustainable prosperity in many regions and strengthen resilience to developments outside Europe. The EU industrial policy strategy must build on Europe's strengths and assets in strategic value chains in new technologies and make these more robust. This often requires joint, well-coordinated efforts and investments by public authorities and industries from several Member States.

In the context of the Renewed EU Industrial Policy Strategy, the European Commission has therefore set up the Strategic Forum for Important Projects of Common European Interest (Strategic Forum)¹ to achieve a more proactive approach with Member States and industry on the key strategic value chains for Europe. This complements the more horizontal reflections of the High-Level Industrial Roundtable "Industry 2030" on a longer-term industrial policy strategy.

The Competitiveness Council Conclusions of 28 November 2018 underline that Important Projects of Common European Interest (IPCEIs) are one of the relevant tools for supporting strategic value chains at European level. IPCEIs allow Member States to give public funding to transnational strategic investment projects with important spill over effects across the EU.

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<http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=3583&news=1>

The latest Friends of Industry Declaration² called for the identification of strategic value chains as an important first step towards the setting of conditions favourable to innovation, investment and to the development of a European industrial leadership within global value chains. In addition, they also called for the mobilisation of all European policies that contribute to industrial competitiveness and for the development of dedicated action plans on each of the identified strategic value chains. On 18 December 2018, the Commission approved the first IPCEI, jointly notified by France, Germany, Italy and the UK, which foresees €1.75 billion public support to a joint research and innovation project in microelectronics.³

In this context, the Strategic Forum is going to prepare a report in summer 2019 with general recommendations and proposals for specific action plans for a few selected strategic value chains.

2. PRIORITISATION OF KEY STRATEGIC VALUE CHAINS

The Strategic Forum has identified 36 strategic value chains, based on the following three criteria: Technological innovativeness; Economic and market potential; Societal and political importance for Europe.

So far, the Strategic Forum has prioritised 19 strategic value chains (see annex) according to their potential contribution to competitiveness and value creation, the existence of relevant European or trans-national initiatives, their contribution to Europe's autonomy and security, contribution to the EU climate and energy targets, the potential impact of coordinated action and the interest of the Member States and industry.

² 6th Friends of Industry Conference – Declaration Paris, December 18, 2018.

³ [press release](#)

In three strategic value chains – batteries, high performance computing and microelectronics – coordinated initiatives are already ongoing⁴. The final prioritisation will take place in the meeting of the Strategic Forum on 29 January, based on the commitment of Member States and industry, taking into account evidence on the high-risk and capital-intensive nature of investments, the maturity level of the key technologies, the characteristics and geographic distribution of industrial base, and the EU global competitiveness. The results are intended to be announced at the EU Industry Days on 6 February.

For each selected key strategic value chain, the Strategic Forum will develop recommendations for action plans involving all stakeholders concerned, including a call for joint investments – making use of IPCEIs as well as other instruments – and accompanying measures, e.g. on skills, regulation and standards.

Question for discussion:

- 1) Building on the discussion regarding the check-up on the value chains, i.e. the link between competitiveness and integration of value chains, how do you see the IPCEI as a tool of future industrial policy for the EU, in particular against the background of digitalization and global competition?*

⁴ namely the European Battery Alliance, the Euro High-Performance Computing Joint Undertaking, and the IPCEI in Microelectronics.

List of Strategic value chains selected for further prioritisation

- *Batteries**
- *High performance computing **
- *Microelectronics**
- Hydrogen-based and other low-carbon energy conversion;
- Low-carbon steel-making;
- Low-carbon industrial processes and carbon capture and valorisation technologies;
- Industrial Internet of Things;
- Personalised medicine, health data and analytics;
- Bio-based materials;
- Electric mobility for vehicles – propulsion, wireless energy transmission and smart charging;
- Space launchers;
- Cybersecurity;
- Critical raw materials for innovative applications;
- Connected and autonomous mobility for vehicles;
- Net zero energy building construction and renovation;
- Additive manufacturing;
- Smart vessels (autonomous vessels, electric propulsion);
- Wired and wireless networks (including global wireless networks);
- Personal and clinical medical devices and diagnostics.

** already identified to be among the final key strategic value chains, as coordinated initiatives are already ongoing at EU level.*