



### EUROPEAN COMMISSION INDUSTRIAL POLICY CONFERENCE “AN INDUSTRIAL RENAISSANCE”

#### PANEL 2: THE ROLE OF INDUSTRY IN THIS INDUSTRIAL RENAISSANCE 6 JUNE 2013

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Ladies and Gentlemen,

All across the European political landscape, more and more calls are present to strengthen Europe's industry. And rightly so, because European economic recovery will not be possible without the growth of industry.

But this Renaissance of industry is fairly recent and, in my view, still incomplete and a lot needs to be done.

Despite the fact that the European Union is still the largest industrial producer in the world, industrial production is still 10 per cent lower than before the financial crisis. More than 3 million industrial jobs have been lost. The decline in Europe's manufacturing represents a major problem and it is time to restore our industrial base.

Recent years have shown that European countries with a strong industrial base, like Germany with a share of 22%, Austria with a share of 19% or the Czech Republic with a share of 25%, recovered faster from the economic and financial crises. Europe must draw the necessary lessons!

It is of paramount importance that industrial competitiveness is at the centre of EU's policymaking to put Europe back on to a growth path and to improve Europe's attractiveness as a destination of industrial investment. This requires the commitment not only of a small group of Commissioners but the entire college of Commissioners as well as the Council and the European Parliament!



BUSINESSEUROPE does not accept a “business as usual” policy which does not put the necessary priority on the important implementation of the proposed actions and measures.

So, if we undertake the efforts required, I have no doubt that we can increase our industrial output to 20% by 2020 as proposed by Vice-President Tajani and the European Commission.

Ladies and Gentlemen,

Achieving this target will go along with significant impacts in annual production, productivity and job creation for European industry as well as for the prosperity of Europe as a whole:

- 5.2% annual manufacturing production growth,
- 4.4% annual productivity growth,
- and increasing manufacturing’s share of production to 20% by 2020 would create at least 400,000 new jobs a year, reversing the losses of recent years. Alongside those new manufacturing jobs, many more jobs would be created in the supporting service sector.

Certainly, re-industrialisation is the road to growth and job creation along the entire value chain. To achieve progress, we must have the right framework conditions in place.

Europe is still one of the most competitive regions in the world. Nevertheless, Europe is also a region with significant disparities in competitiveness and we are still struggling with the financial and the sovereign debt crisis, macroeconomic imbalances as well as the lack of competitiveness in Southern Europe.

Member States must continue to deliver structural reforms and fiscal consolidation as it is the foundation for long-term growth and employment. And certainly, Europe needs growth to manage and overcome the persisting crises.

In addition, Europe’s attractiveness as a destination of industrial investment will not improve unless we manage to entirely apply smart regulation in order to reduce the regulatory burden as well as Red and Green Tape.



We must create jobs by putting Europe back on to a path of growth. We must enable our industry to compete more effectively within the Single Market and global context to create jobs and to generate sustainable growth along the entire value chain over the short and long term. 5 key areas are of utmost importance:

**First:** Without reliable, affordable and climate-friendly energy there is no industrial economy.

Europe needs to reassess its approach to energy and climate policy otherwise Europe will not achieve its 20 % industrial GDP target – on the contrary, industries will divest from Europe.

**Second:** Our internal and external trade policy agenda must be ambitious.

The Transatlantic Trade and Investment Partnership offers an unmatched growth spurt. We want the negotiations to move quickly and ambitiously.

**Third:** Improving access to finance is vital. It is essential for industrial companies and economic growth. We need sufficient funding to facilitate investment within Europe.

European financial market reforms need to balance safeguarding financial stability and financing needs of companies.

**Fourth:** We need to secure the supply of raw material at competitive prices. Raw materials are the life-blood of EU industry. No more export restrictions and environmental rules that undermine or increase the cost of industrial raw materials.

**And fifth:** Education, education, education! The availability of a skilled workforce is essential if we want European industry to thrive. And a skilled workforce is the best guard of citizens against unemployment.



Ladies and Gentlemen,

We will not be able to spend or borrow our way out of the crisis. But we can grow out of this crisis. Each job in the industrial sector is linked with at least two high quality jobs in the service sector. This illustrates the huge potential of a thriving European industry to overcome our current economic difficulties.

Thank you.