

**Italian German  
BUSINESS Forum  
Confindustria - BDI**

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***Common Declaration***

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## *Common Declaration*

In a time of persistent economic weakness in the EU and of mounting challenges for European enterprises, the industrial associations of Italy and Germany, Confindustria and BDI, on the occasion of the 4<sup>th</sup> edition of the Italian/German Business Forum in Bolzano, shared their views on immediate measures to be taken to foster growth and job creation.

The increased inter-linkage between manufacturing and services makes industry the engine of growth and jobs. Nowadays low growth, increasing international competitive pressure and burdensome legislation are putting our companies at risk.

If we do not want Europe to turn from economic leader to laggard, decisive action at EU and national level is needed to reinforce industrial competitiveness and to raise the contribution of industry to GDP to as much as 20% by 2020.

During the next five years, the new EU institutions and Member States have the unique opportunity to implement the necessary structural reforms for competitiveness, growth and jobs in Europe.

We, the entrepreneurs of Confindustria and BDI, strongly sustain the decision of the Italian Presidency of the Council of the EU to put industrial competitiveness among its top priorities.

We welcome President-elect Jean-Claude Juncker's decision to focus the new European Commission on growth-oriented political priorities, which are supported by a clear majority in the European Parliament and the Council. In the future, the political focus must be on implementing the following growth-oriented political guidelines:

- supporting structural reforms in all Euro area Member States within a strengthened European Semester;

- delivering an EU Investment Plan which encompasses both public resources and concrete proposals for generating private investment by creating a truly connected internal market, reducing regulatory burden and making better use of capital markets, the EIB and the EU budget;
- taking ambitious initiatives to deliver a fully functioning Digital Single Market and support the digitalization of European industry;
- implementing an Energy Union promoting convergence between industry, energy and climate policies.

To achieve a competitive Europe, Confindustria and BDI call on the new EU institutions to focus on the following three elements:

1. Setting R&D&I friendly framework conditions and improving education and training:
  - The European economy can only remain competitive in a global market with innovative products.
  - For the EU to be a global innovation leader it is crucial to set-up more innovation-friendly conditions at EU level in order to foster industry confidence for investments in R&D&I and to bridge the gap between research and market deployment of new products and services. In this respect the planned shortening of the Horizon 2020 budget for 2015 is a wrong signal.
  - In view of the "Europe 2020" strategy revision, it is of vital importance to ensure an appropriate and friendly regulatory environment, securing a greater participation of industry and SME, focusing more on applied research and making better use of research results.
2. Stimulating R&D&I investments:
  - The EU needs to boost investments in industrial R&D&I to build and support the development of long-term globally competitive EU industries.
  - The gap between research and market deployment of new products and services must be bridged and supported by adequate funding at EU and national level.
  - At EU level it appears essential to ensure that public funds leverage private investment and to optimize the use of existing EU innovation funds, making full use of Horizon 2020 and improving the synergies among the various European financ-

ing instruments (Horizon 2020, Structural funds, EIB group financial mechanisms).

- A functioning market for venture capital for innovative companies and products must also be pursued as it plays a key role either for the creation of new companies in the area of the digital creative economy and for the take up of advanced manufacturing technologies and key enabling technologies through the whole value chain.
  - At national level, it appears essential to increase the quality and efficiency of spending, for example by introducing a tax credit scheme for R&D&I investments.
3. Promoting access to skills as the backbone of a well-functioning and effective R&D&I system:
- Europe needs actions to attract the best “brains” and the most innovative companies, improve the supply of well-qualified researchers, foster temporary public-private exchanges of R&D&I staff and facilitate transnational collaboration.
  - The European Union will have to invest more on all levels of education and foster modernizing education and training systems within Member States, enhancing the technical/scientific/digital dimension of the education processes, supporting dual learning systems and promoting partnerships between the education world and the private sector.
  - Europe should address, at soonest, the shortage of digital skills, which is costing millions of euros in productivity. It has been widely highlighted that there is a demand for digital skills in the technology, but also traditional, industry that is not met with a supply of candidates. The cloud technology, the mobile and social revolutions and the growing perception of the potential of big data are making the digital skills issue even more urgent.
  - Initiatives aiming at sustaining industrial doctorates and inserting PhD doctors in research and innovation oriented companies should be encouraged. In fact, greater synergies and stronger collaboration between universities, public research institutes and industry are essential to pool together skills, know-how and funding for commercialization of innovations in a pre-competitive phase and to shorten the time period to bring innovation to market.

Firmly convinced about the value of close cooperation, BDI and Confindustria look forward to actively contribute – in close dialogue

with their respective Governments and EU institutions – to the debate on how to strengthen Europe’s competitiveness and to stimulate investment for the purpose of job creation.