



9 November 2011

AN INTEGRATED INDUSTRIAL POLICY FOR EUROPE

KEY MESSAGES

- 1 Sustainable growth in Europe will only be possible with a **strong, diverse and competitive industrial base in Europe**.
- 2 The EU institutions must check all policy initiatives for their impacts on industrial competitiveness ("**competitiveness proofing**").
- 3 **EU industrial policy must not pick winners** but has to ensure a sector- and technology-neutral approach.

WHAT DOES BUSINESSEUROPE AIM FOR?

- EU Institutions must implement the industrial policy agenda, which has been made a priority with the EU flagship initiative "**An industrial policy for the globalised era**" adopted by heads of states and governments in March 2010. In its Communication "An integrated Industrial Policy for the Globalisation Era" of 28 October 2010, the Commission rightly highlights industry's key role for ensuring Europe's global competitiveness.
- In order to upgrade the framework conditions in which industry operates, it is necessary to actively develop fundamental **horizontal policies in various policy fields such as** internal market, external commercial, R&D and innovation, standardisation, better regulation, company financing, etc.
- EU industrial policy should not pick winners but must seek to strengthen Europe's competitiveness on global markets. In accordance with an integrated policy approach, the actual implementation of a thorough "**competitiveness proofing**" of all new legislation is crucially in demand. It should serve as key tool to reconcile competitiveness and sustainability and support the pledge by industry to remain in Europe.

KEY FACTS AND FIGURES

21% of EU GDP is contributed by manufacturing	More than 30 million EU jobs are provided by manufacturing	Over 80% of EU private sector R&D expenditure comes from manufacturing
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- European economy relies on a healthy **SME** sector. What helps SMEs most is a clear regulatory framework instead of complex and burdensome legislation with complicated exemptions and disproportionate administrative burdens. Thus, the principle “**think small first**” needs to be taken into consideration when EU legislation is designed.
- **EU industrial policy must not pick winners** but has to ensure a sector- and technology-neutral approach with regard to the definition of **policy instruments**. Instead of artificially defining certain “green” sectors and technologies receiving political treatment, measures should be put in place to make the whole European industry more sustainable and more innovative.
- At the **international level**, EU institutions must **defend open and fair markets**, as they are the precondition for growth and jobs in an EU economy which largely relies on exports. Industrial policy must not lead to new protectionism and should be flanked by an appropriate international trade policy. In this regard, it is crucial for the competitiveness of European business that the EU **secures market access in emerging markets and undistorted access to raw materials**.