

Industrial Policy Strategy (2017): Investing in a smart, innovative and sustainable industry



Brussels, 18 September 2017

[http://europa.eu/rapid/press-release_IP-17-3185_en.htm]

We wish to share with the readers the extremely relevant European Commission Strategic Guidelines focused to the Industry Policy presented in Brussels in September, 18th. The reference document allows European Industries to continue to provide a sustainable growth and new jobs.

As highlighted by the President Jean-Claude Juncker, the new plan Industrial Policy Strategy will help “our industries stay or become the world leader in innovation, digitisation and decarbonisation”. The plan will represent a unique global reference strategy for all the initiatives, sectors and the involved actors.

Introduction

As specified in September 2015 at the Briefing of European Parliament “Industry 4.0 Digitalization for productivity and growth”: *Industry 4.0 is a term applied to a group of rapid transformations in the design, manufacture, operation and service of manufacturing systems and products. Industry 4.0 then refers to the Fourth Industrial Revolution and it is also called ‘smart industry’, ‘intelligent industry’, ‘smart factory’ or ‘smart manufacturing’.*

After mechanisation (Industry 1.0), mass production (Industry

2.0) and automation (Industry 3.0) “internet of things and services” are the key components of the Industry 4.0. Internet has transformed industries in “smart industries”, a new manufacturing ecosystems as a connected environment of data, people, processes, services, systems. In particular, Internet of things (IoT) is the network of physical devices, vehicles, home appliances, and other items embedded with electronics, software, sensors, actuators, and network connectivity which enable these objects to connect and exchange data (Wikipedia, “Internet of things”).

Industry 4.0 is based on the following nine enabling technologies: Advanced Manufacturing Solutions, Additive manufacturing, Augmented Reality, Simulation, Horizontal/ Vertical integration, Industrial Internet, Cloud, Cyber-security as well as Big Data & Analytics.

So this new, digital industrial revolution has the potential to create extraordinary growth opportunities, holds the promise of increased flexibility in manufacturing, mass customisation, increased speed, better quality and improved productivity.

The term Industry 4.0, initially referred only to the manufacturing sector, has been progressively extended to the digital revolution which is involving all domains and the people overall life. In the following official document published by the European Commission - Press release, all the main new elements of the EU Industrial Policy Strategy are clearly specified and the major economic and social objectives are briefly described. The documents represents an effective glance to the future.

The Industrial Policy Strategy in the State of Union 2017

On 13 September, in his annual State of the Union address, President Jean-Claude **Juncker** stated: *“I want to make our industry stronger and more competitive. The new Industrial Policy Strategy we are presenting today will help our industries stay or become the world leader in innovation, digitisation and decarbonisation”.*

The renewed EU Industrial Policy Strategy brings together all existing and new horizontal and sector specific initiatives into a comprehensive industrial strategy. It also clarifies the tasks ahead for all actors involved and sets out the fora – an annual **Industry Day**, the first edition of which took place in February 2017, and a **High Level Industrial Roundtable** – that will allow in particular industry and civil society to steer industrial policy actions in the future.

Vice-President for Jobs, Growth, Investment and Competitiveness Jyrki **Katainen** said: *“By embracing technological change, converting research investments into innovative business ideas, and continuing to pioneer the low-carbon and circular economy we will pave the way for a smart, innovative and sustainable industry in Europe”.*

Elżbieta **Bieńkowska**, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, added: *“Many European industries are at a turning point. In our day and age, industrial policy is about empowering our industries to continue delivering sustainable growth and jobs for our regions and citizens”.*

The main new elements of the EU Industrial Policy Strategy include:

A comprehensive package to reinforce our industry’s **cybersecurity**. It includes the creation of a European Cybersecurity Research and Competence Centre to support the development of technology and industrial capabilities in cybersecurity, as well as an EU-wide certification scheme for products and services, recognised in all Member States (adopted on 13 September 2017).

- A proposal for a Regulation on the **free flow of non-personal data** that will enable data to

circulate freely across borders, helping to modernise industry and create a truly common European data space (adopted on 13 September 2017).

- A new series of actions on Circular Economy, including a strategy on **plastics** and measures to improve the production of **renewable biological resources** and their conversion into bio-based products and bio-energy (autumn 2017).

- A set of initiatives to modernise the Intellectual Property Framework, including a report on the functioning of the Directive on the enforcement of **intellectual property rights** and a Communication on a balanced, clear and predictable European licensing framework for **Standard Essential Patents** (autumn 2017).

- An initiative to improve the functioning of **public procurement** in the EU, including a voluntary mechanism to provide clarity and guidance to authorities planning large infrastructure projects (autumn 2017).

- Extension of the **Skills Agenda** to new key industry sectors, such as construction, steel, paper, green technologies and renewable energies, manufacturing and maritime shipping (autumn 2017). A strategy on **sustainable finance** to better orient private capital flows to more sustainable investments (early 2018).

- Initiatives for a balanced and progressive trade policy and a European framework for the screening of foreign direct investments that may pose a threat to security or public order (adopted on 13 September 2017).

- A revised list of **critical raw materials** where the Commission will continue to help ensure the secure, sustainable and affordable supply for the EU manufacturing industry (adopted on 13 September 2017).

- New proposals for **clean, competitive and connected mobility**, including tightened CO2 emissions standards for cars and vans, an Alternative Fuels Infrastructure Action Plan to support the deployment of charging infrastructure, and actions to foster autonomous driving (autumn 2017).

- Putting this holistic strategy into practice is a shared responsibility. Its success depends on the efforts and cooperation of the EU institutions, Member States, regions and most importantly on the active role of industry itself.

Background Europe’s industry is strong and has retained a leading position in many sectors in global markets.

Industry accounts for two thirds of the EU’s exports and provides jobs for 32 million people, with 1.5 million of these jobs created since 2013. But to maintain and reinforce its competitive advantage, an important modernisation effort is required. That is why industry is at the heart of the Juncker Commission’s political priorities. All Commission policies are geared to empower industry to create jobs and boost Europe’s competitiveness, foster investment and innovation in clean and digital technologies and defend Europe’s regions and workers most affected by industrial change.

New production technologies are changing Europe’s industrial landscape and play an increasingly important role in determining the ability of European business to compete globally. They will create jobs through a number of channels, and technologies delivering higher productivity can benefit the wider economy. They may also have a deeper impact on the nature and availability of work. The future of Europe’s industry will depend on its ability to continuously adapt and innovate by investing in new technologies and embracing changes brought on by increased digitisation and the transition to low carbon and circular economy. At the same time, global competition is higher than before and the benefits from globalisation and technological progress are unevenly spread across our societies.

The Juncker Commission wants to address this.

President Juncker's Political Guidelines have underlined the importance of a strong and high performing industry for the future of Europe's economy. The creation of jobs and growth through innovation and investment has since been at the centre of the Commission's key initiatives. The Juncker Plan (the Investment Plan for Europe) and the Capital Markets Union help to mobilise resources to boost economic recovery; EU support for innovation helps industry and in particular SMEs play to their strengths; Europe is at the forefront of the global push for a low-carbon and circular economy through its circular economy, clean energy and low carbon economy initiatives; key enabling technologies help industry compete globally; the Digital Single Market Strategy, the accompanying Digitisation of Industry Strategy and the Action Plan on 5G for Europe help businesses take advantage of new developments and create a properly functioning data economy; the Single Market Strategy makes it possible for industry to access a market of 500 million consumers and to connect in value chains free from customs or technical barriers; and the New Skills Agenda for Europe helps equip the people behind our industry with better skills.

These horizontal policies that concern all industries are complemented by a number of specific policies for strategic sectors, including a Space Strategy to further build on Europe's strong and competitive space industry, a proposal for a European Defence Fund which will act as a catalyst for a competitive

and innovative European defence industry, and a wide range of initiatives for clean, sustainable and competitive car industry (including the Europe on the Move initiative, actions to curb air pollution by cars and GEAR2030 action), and a Communication on steel to ensure Europe's steel industry can compete fairly in world markets.