

European Council voices strong support for manufacturing but remains too shy on industrial policy

Brussels, 24 March 2014 – The European Council summit held on 20-21 March tackled industrial competitiveness as a top priority issue, for the first time in more than thirty years in such a meeting. Prior to the meeting, through its Communication “For an industrial renaissance”, the European Commission had conveyed a strong message to the European Council asking it to signal clear political commitment to reindustrialisation. The Commission also called on the European Council to endorse the Commission’s goal of increasing the contribution of manufacturing to 20% of the EU GDP by 2020 and to set out an implementation framework for the consistent and coordinated application of policy actions in the realm of a European industrial policy.

“CECIMO welcomes the attention given by the EU to the manufacturing industry at the highest political level. By recognizing the European industrial base as a key driver of economic growth and jobs, the summit conclusions rightly point to manufacturing as the main building block of future European economy.” states **Jean-Camille Uring, CECIMO President and CEO of Fives Group**. *“We are particularly pleased to see that the summit conclusions make a clear reference to key enabling technologies, which includes our industry as provider of advanced manufacturing technologies, being the backbone of industrial competitiveness.”* Mr. Uring affirms.

CECIMO is convinced that the European Council’s call on Member States to have closer cooperation in the field of key enabling technologies will have a positive impact on manufacturing innovation and investments. The implementation of ‘projects of European interest’ in the area of high performance production has a great potential to mobilise significant funds from public and private actors to set up a strong infrastructure for close-to-market research. The impact on industrial competitiveness will be two-fold. SMEs will have a facilitated access to validation and testing infrastructure, which will allow them to bring new technologies to the market faster and to increase return on their investments in innovation. Secondly, by turning Europe into a state-of-the-art base for technological research, these projects can boost attractiveness of Europe for manufacturing investments.

“We strongly endorse the European Council’s call on Member States and the Commission to address skills shortages in the area of science, technology, engineering and mathematics (STEM skills) as a matter of priority. Technological edge is the most important asset for Europe to remain competitive in global markets and it builds on a highly skilled workforce.” states **Mr. Uring**.

Although the summit conclusions set out selective policy priorities with a focus on innovation and skills to enhance industrial competitiveness, the European Council remains vague on the methods to implement those priorities in a coordinated and integrated manner within a European context.

Mr. Filip Geerts, CECIMO Director General, states *“It is very positive to see that the European Council sends a clear signal on its intention to make industrial competitiveness a priority across policy areas. However, it does not provide clear guidance on how to put it into practice. We do not see how and within which framework policy integration and coordination will be carried out at EU level and between Member States.”* He adds: *“Defining appropriate mechanisms for policy coordination and synchronisation will remain an absolute necessity to break from fragmented and weak policies of the past. The EU needs to reassure industry that reindustrialisation ambitions are accompanied by an industrial policy with sharper teeth.”*

Moreover, for the moment, heads of state and government of EU member states refrained from committing to the 2020 target for reindustrialisation which is promoted by the Commission, failing to live up to the expectations of industry. CECIMO has been a vocal supporter for the endorsement of the 2020 manufacturing target. It could have sent a very strong signal as regards the commitment of Europe to developing its industrial base and have had a positive impact on investment decisions.

Despite the absence of clear targets and of an implementation framework in the summit conclusions, CECIMO has taken a positive note on decisions as regards policy priorities, especially in the energy and climate policy. We welcome the commitment to place industrial competitiveness at its core, in particular through the reduction of Europe's energy dependency and energy prices. Moreover, we fully support the call of the European Council to mobilise the EU budget and market-based tools to restore normal lending to the real sector, especially to SMEs.

Finally, CECIMO encourages the continuation of discussions within the EU on the approach to industrial policy. It should aim at tackling challenges related to policy governance and to putting forward a clear vision of the future of European manufacturing in a global context.

About CECIMO

CECIMO is the European Association of the Machine Tool Industries. We bring together 15 national Associations of Machine Tool Builders, which represent approximately 1500 industrial enterprises in Europe*, over 80% of which are SMEs. CECIMO covers 98% of total Machine Tool production in Europe and about 34% worldwide. It accounts for almost 150,000 employees and a turnover of over €22 billion in 2012. More than 83% of CECIMO production is shipped abroad, whereas almost half of it is exported outside Europe*. For more information visit www.cecimo.eu.

*Europe = EU + EFTA + Turkey

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