

CECIMO welcomes the EC Communication on Industrial Renaissance The European Council should endorse the 2020 manufacturing target

Brussels, 28 January 2014 - CECIMO welcomes the Commission Communication "For a European Industrial Renaissance", published 22 January 2014, urging Member States to recognize the central role of the manufacturing industry for economic growth and jobs. Now, it is up to Member States to endorse at the European Council in March the target of increasing the share of manufacturing in EU GDP to 20% by 2020 and adopt the policy priorities set by this Communication.

CECIMO believes that having concrete targets for manufacturing set at the European Commission's level has given the EU's industrial policy strategy credibility in the eyes of businesses. But the industrial upturn is not there yet. The Communication points out serious gaps between Member States in business conditions and competitiveness. This negatively affects the performance of manufacturing value chains in Europe and the overall attractiveness of the EU for investments. Filip Geerts, CECIMO Director General, shares the Commission's view that Member States should be more engaged: *"The next logical step should be to set up an agreement between Member States to guide, monitor and benchmark national measures in a more systematic manner against European targets. Therefore, we fully support the Commission's call to the European Council to pay more attention to industrial policy and drive it forward."*

The Commission has implemented an integrated industrial policy approach since 2010 which has a positive impact on stabilizing the EU economy. However, the share of manufacturing in GDP has fallen from 15.4% in 2008 to 15.1% last year. Despite the outstanding performance of some EU sectors in global markets, the EU's industrial productivity lags behind major competitors. Moreover, it is noted that the EU is losing its attractiveness for investments due to, inter alia, low internal demand, high energy prices, and unfavorable regulatory and business environment in comparison to industry-friendly conditions in major competing regions. The Communication offers a spot-on response to these challenges that builds on two strands: improving conditions for investment in the EU and supporting strategic areas that boost competitiveness across sectors. Filip Geerts states: *"The Commission recognizes once more **the key role of advanced manufacturing technologies in the economy and their multiplier effect on competitiveness.**"* He adds: *"Over the last two years, our industry has shown phenomenal export performance outside Europe contributing to industrialization across the globe, but **more should be done to ensure the transfer of new production technologies to industrial users in the EU.**"*

After being hit by the 2008-09 economic meltdown, the machine tool consumption in Europe has hardly recovered and today, it still remains 30% below pre-crisis levels. This is a sign that some factories have disappeared from Europe whereas others have suspended equipment investments which are key to achieving productivity growth. Investments in advanced manufacturing systems provide a good indicator when carrying a health-check of manufacturing. *"**More than ever, it is urgent to invest in manufacturing if Europe wants to get serious about achieving the reindustrialization objective.**"* concludes Filip Geerts.

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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