



cecimo
European Association of Manufacturing Technologies

MAKING EUROPE THE WORLD'S MANUFACTURING HUB

*CECIMO Recommendations for the **2024-2029** EU Institutional Cycle*

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FOREWORD

In Europe's dynamic and ever-evolving industrial landscape, a profound transformation is underway, where the convergence of digitalisation and green transition is significantly shaping the growth of all industrial ecosystems. Embracing the digital era, industries are integrating new solutions such as artificial intelligence, the internet of things (IoT), and data analytics to enhance efficiency, productivity, and adaptability. At the same time, the strong emphasis on sustainability is steering companies towards eco-friendly practices, renewable energy integration, and resource-efficient production methods.

The EU market is experiencing heightened pressure from international competitors. Areas once regarded as strongholds for products and services made in Europe are now witnessing increased competition from global counterparts. This intensification of market dynamics often results from supporting national policies and investments. Therefore, it is crucial to put in place strategic actions for European companies to enhance and maintain their competitiveness. The EU must respond with a renewed focus on technological advancements, streamlined processes, and market-driven strategies to strengthen its work in key sectors within the EU market.

Representing European manufacturing technologies, CECIMO believes that a stronger manufacturing industry can help EU industrial ecosystems achieve the necessary transformative changes required by the digital and green transition. In addition, bolstering such a sector through strategic investments in innovation, technology adoption, and efficiency enhancements could be pivotal to improving EU competitiveness against international players.

Therefore, the next European Commission and European Parliament must develop a strategic policy and investment agenda, aimed at strengthening the sector's value chain. This policy agenda should focus on streamlining investments, reducing regulatory burdens and harnessing the potential of both existing technologies and emerging solutions. Such a comprehensive approach aims to give the EU a competitive edge across different industrial ecosystems.



François Duval,
CECIMO President



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INTRODUCTION

Recognising the need for a unified approach, CECIMO has identified **six** focus areas in order to boost the growth of the manufacturing industry and promote the EU as the world's manufacturing hub.

CECIMO's strategic recommendations in the following focus areas set out a bold ambition to foster collaboration, innovation, and strategic investment, ultimately contributing to the EU's competitiveness in the global manufacturing arena:

- 1 Launching a European Manufacturing Strategy**
- 2 Slowing-down the EU Legislative Train – Time to Implement and Evaluate**
- 3 Investing in Productivity and Implementation of the Twin Transition**
- 4 Tackling Europe's Skills Needs**
- 5 Increasing EU Competitiveness via Trade Agreements**
- 6 Empowering Market Surveillance Authorities to Protect the EU Market from Unsafe Products**



1 LAUNCHING A EUROPEAN MANUFACTURING STRATEGY

The European Union needs a first-of-its-kind innovative manufacturing strategy that recognises this sector's importance to economic growth and job creation, supports a sustainable and digital transition, strengthens supply chains, and increases European global leadership.

Therefore, the next institutional cycle should be dedicated to the development of a well-structured strategy that should aim to:

1. Launch an annual manufacturing report

The EU needs a comprehensive “fitness check report” (following the example of the Annual Single Market report) to analyse strengths, dependencies, market growth, worker availability, and innovation across all Member States. It should serve as a transparent and complete overview of the manufacturing landscape to guide informed policymaking. This fitness check should include defined indicators (such as Unit Labour Costs, productivity, energy prices) that regularly monitor the evolution of manufacturing competitiveness in the EU.

2. Establish a permanent Forum for public-private cooperation

Building on the existing Industrial Forum, it would be important to create a permanent platform that facilitates continuous interaction between the public and private sectors. This forum will serve as a space for collaborative discussions on key policy matters, strategic investment, and other initiatives essential at EU level. Expanding the scope of the Industrial Forum ensures a consistent and inclusive approach to decision-making.

3. Integrate manufacturing initiatives in all key EU policies

The strategy will make it mandatory to introduce manufacturing initiatives in all policies, with the goal to keep the EU competitive in every scenario foreseen by that dedicated policy. By prioritising manufacturing in the Green Deal, Europe fit for the digital age, strategic dependencies, and other relevant policies, we ensure comprehensive and coherent support for the competitiveness of the EU manufacturing sector. This integration ensures a synchronised approach towards our goals of sustainability, digitalisation and strategic autonomy.

In addition to manufacturing strategy, it will be critical to include the "**Industrial Machinery and Equipment Ecosystem**" among the 16 ecosystems selected by the EC for its industrial strategy. This ecosystem, comprising advanced machine tools, robotics and additive manufacturing, is vital across various sectors, enhancing productivity, innovation, and sustainability. Prioritising and investing this ecosystem will also ensure that EU companies are able to continue producing essential technologies for the green and digital transition (e.g. the one listed in net-zero industry act).

2 SLOW-DOWN THE EU LEGISLATIVE TRAIN – TIME TO IMPLEMENT AND EVALUATE

The EU will not succeed through regulation alone. Therefore, it is time to work on implementing what has been developed over the last five years (e.g., developing a clear guide for implementing the Machinery Regulation) and assess the benefits and impact of the new and complex requirements during this legislative mandate.

During the next institutional cycle, we urge policymakers to ensure a transparent, impactful, and adaptable EU legislative environment by:

1. Enhance legislative coherence and transparency

Legislative provisions should be easy to understand and applied uniformly in all Member States. This will be particularly relevant for the different first-of-its-kind regulations developed by the EU in the past year, for example the Cyber Resilience Act, Data Act, the Artificial Intelligence Act, which are set to have a major impact on the entire manufacturing sector.

2. Assess the impact of EU legislations on the whole value chain

Manufacturing technologies (e.g. Machine tools) are used by nearly all industrial ecosystems, therefore it is imperative to perform an impact assessment on the whole value chain before updating or changing any sector specific legislation. This step will avoid losing industrial and economic competitiveness in those sectors in which the EU has market leadership in both manufacturing technologies and end products (a clear example is the mobility sector). Such an approach is highly recommended for the upcoming PFAS restriction proposal, which, does not consider the individual level of toxicity and risk profile and has adopted a one-ban-fits-all approach that puts at risk industrial competitiveness of different sector in the EU.

3. Ensure legislation flexibility and adaptability

In an ever-changing landscape, it is critical to evaluate and test the adaptability of legislations. The new green and digital legislation can have undesired and unforeseen effects that must be easily fixed. Therefore, the EU needs a new approach that ensures the resilience and relevance of our regulatory framework in the face of dynamic change. This can be achieved through more regulatory sandboxing or more comprehensive competition reviews. In addition, it will not only allow for the identification and correction of potential mistakes but also unlocks the full potential of these legislations, thereby fostering the growth and competitiveness of the EU industry sectors.

INVESTING IN PRODUCTIVITY AND IMPLEMENTATION OF THE TWIN TRANSITION

The EU needs to focus more resources on market-ready solutions to encourage the uptake of cutting-edge technologies and sustainable practices across all sectors. This approach involves supporting businesses to integrate digital tools and green technologies into their operations, fostering a competitive landscape that values both productivity and environmental responsibility.

Such a change should begin with the EU's main R&D programme, by transitioning from a social policy-oriented programme to one that is focused on supporting productivity and the twin transition. This transformation should be reflected in the Horizon Europe programme, which should aim to direct more funding to areas like robotics and autonomous systems, new materials, smart manufacturing, AI applications and other advanced manufacturing technology areas.

Looking at some concrete actions that should be further expanded and promoted by the new R&I programme, there are:

1. Increase the number of Public-Private Partnerships (PPPs)

By fostering PPPs, the EU can attract additional funding, connect industry/policymakers/research/other stakeholders, leverage valuable resources, and tap into the expertise necessary to speed up the transformation of research innovations into market-ready solutions.

2. Support first-time entrepreneurs and start-up ecosystems

Every European project should work to encourage a better environment for entrepreneurship that promotes the development of an entrepreneurial mindset among researchers and other relevant communities. This includes the provision of mentorship programmes, comprehensive training initiatives, and financial support for startups and first-time entrepreneur.

3. Promote International Collaboration

Engaging in collaborative projects with global partners allows opening-up access to new markets and facilitates the exchange of knowledge and expertise. This can lead to developing of products and technologies with broader international appeal.

4 TACKLING EUROPE'S SKILLS NEEDS

As technological advancements reshape the manufacturing landscape, a skilled and adaptable workforce is necessary amid concerns of labour market disruption. As highlighted in the CECIMO Survey on Skills (November 2023), industries require well-trained professionals to help them successfully navigate the digital and green transition.

Consequently, employees should be enabled to optimise the synergy between old and new skills for economic efficiency, as they progressively acquire new skills. Recognising skills complementarity is becoming vital for strategic investments in upskilling and reskilling programmes, fostering technical competencies and a mindset conducive to embracing dual transitions in manufacturing.

To effectively address this challenge, the EU Member States should establish robust systems for upskilling and reskilling adults, in focusing on the following key actions:

1. Secure adequate funding for tailored training programmes

Financing for targeted training initiatives should increase. This training should be specifically tailored to the upskilling and reskilling needs of the advanced manufacturing workforce, as identified in CECIMO Survey on Skills. Investments that address the industry's skill demands in three main departments: Production, Mechanical/Industrial Engineering and Electrical Engineering, thus ensuring a robust response to evolving technological landscapes.

2. Holistic Collaboration for Adult Learning

Setting personalised adult-learning strategies through diverse cooperation between European and national governments, industries and education and training providers. This synergy ensures that training programmes are closely aligned with industry needs and remain responsive to the market's demands as highlighted in the CECIMO Paper "[Transformation of Manufacturing: Embracing Digital and Green Skills.](#)"

3. Promote Personalised Learning and Flexibility in Certification

Advocate personalised learning strategies and more flexible certification options for skills acquired through vocational training in manufacturing. Recognising the importance emphasised by the majority of CECIMO members, it is crucial to enhance the appeal of the manufacturing industry to tackle labour deficits, especially among young people and women. This involves raising awareness about the sector's advantages, its facilitating role in driving the digital-green transition, the flexible learning pathways and certifications acquired through vocational training.

INCREASING EU COMPETITIVENESS VIA TRADE AGREEMENTS

Free Trade Agreements (FTAs) and other trade agreements are key to fostering the competitiveness and leadership of the European manufacturing sector. By actively engaging in and promoting these agreements, the EU can unlock new opportunities for the sector by facilitating greater market access and reducing trade barriers through:

1. The ratification of the EU-Mercosur Association FTA

The EU must prioritise the immediate implementation of the EU-Mercosur Association FTA, which was concluded in 2019 but still pending a decision on its enforcement. The EU-Mercosur FTA agreement will enhance the integration of our economies and help diversify our value chains for both imports and exports. This is crucial for the competitiveness of EU export-oriented sectors such as machine tools, given that the Mercosur market for machine tools is significant and worth more than 1.1 billion euros (in 2022). Importantly, signing the agreement also helps promote the EU's open strategic autonomy in times of growing economic security concerns through partnerships with like-minded countries.

2. Strengthen trade relations with key partners

The EU should seek to broaden and improve its trade agenda by promoting dialogue with countries such as the United States and India. While there have been positive developments through the efforts of the EU-US Trade and Technology Council (TTC), further steps are needed to facilitate trade between these two major trading partners. Among other issues, we strongly support negotiations on a Mutual Recognition Agreement for machinery. Such an agreement would simplify trade processes by reducing procedures and costs for exporters and overcoming the problems posed by the lack of conformity assessment bodies in both markets. Similarly, ongoing negotiations with international partners such as India should be intensified.

Given the ongoing economic and geopolitical challenges, the EU's strategic trade partnerships should be high on the political agenda, as they are crucial to keeping EU manufacturers competitive.



6 EMPOWERING MARKET SURVEILLANCE AUTHORITIES TO PROTECT THE EU MARKET FROM UNSAFE PRODUCTS

Market surveillance authorities in the EU are essential for protecting the single market from non-conforming products.

In 2022, an EU expert report highlighted that customs authorities face many challenges such as the growth in global trade and increase in the many safety and compliance risks that need to be checked – covering 350 pieces of legislation. This puts the authorities incredibly under pressure.

In the manufacturing sector, market surveillance authorities often fail to prevent the entry of non-compliant imported machinery into the internal market and/or the circulation of non-compliant European machinery in Europe. ¹

Cases of non-compliance may occur due to a lack of knowledge and/or misinformation among machinery producers who fail to meet the relevant essential requirements or due to deliberate infringements by machinery producers who want to unfairly cut their development and production costs.

For these reasons it will be important to implement the following steps:

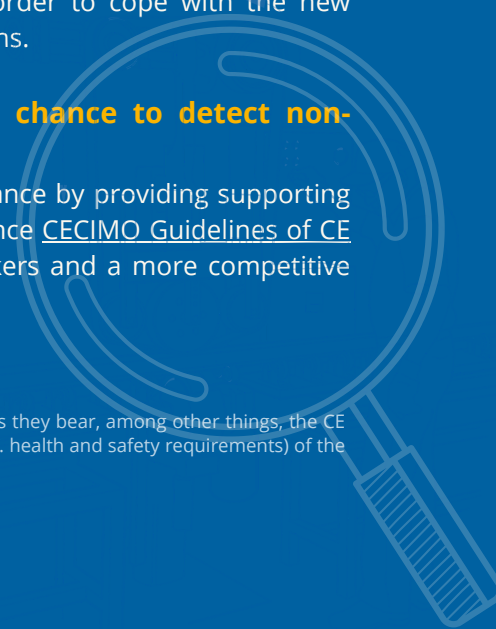
1. Provide additional resources to market surveillance authorities

Market surveillance authorities should receive additional training and resources in order to cope with the new legislations' requirements, particularly the one set by the new green and digital regulations.

2. Improve the cooperation with industry stakeholders to increase the chance to detect non-compliant products

Industry can play a big role in supporting market surveillance authorities help, for instance by providing supporting documents/checklists to detect non-compliant product in the internal market (for instance [CECIMO Guidelines of CE Marking on Laser Machines](#)) and create a more secure working environment for workers and a more competitive European industry.

¹ Machinery and equipment which are bound by specific European Directives cannot be placed on the single market unless they bear, among other things, the CE marking. CE marking affixed on a product indicates that the product complies with all relevant essential requirements (e.g. health and safety requirements) of the applicable Directive(s).



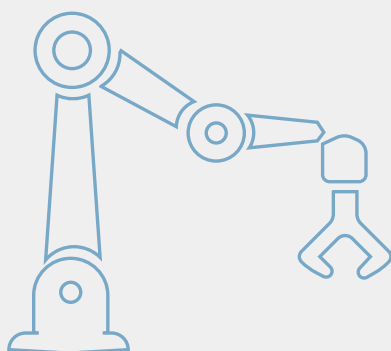
CONCLUSION

As we conclude this document, it is clear that the competitiveness of the European Union across its industrial ecosystems depends on the strength of its manufacturing sector. Without a robust manufacturing base, our strategic goals of economic growth and global leadership will remain unreachable. It is therefore imperative that we prioritise the development of a comprehensive policy and investment agenda aimed at strengthening the sector's value chain.

It is essential that policymakers, in partnership with industry leaders and key stakeholders, take the helm of this transformative effort. Through collective action and shared commitment, we can pave the way for Europe to become the global hub of manufacturing excellence.

CECIMO and its members stand ready to play an integral role in advancing this vision. Together, we have the expertise, the resources and the determination to shape a future where EU manufacturing excellence not only drives economic growth, but also propels us to global leadership.

To sum up, let us seize this moment to reaffirm our commitment to the prosperity and competitiveness of European manufacturing. Together, we can unlock unprecedented opportunities and pave the way for a thriving European industry.



ABOUT CECIMO

CECIMO is the European Association of Manufacturing Technologies. With a primary focus on machine tools and additive manufacturing technologies, we bring together **15 national associations**, which represent approximately **1500** industrial enterprises in Europe (EU + UK+ EFTA + Türkiye), over **80%** of which are SMEs. CECIMO covers **97%** of the total machine tool production in Europe and about **1/3 worldwide**. It accounts for approximately **150,000** employees and a turnover of around **26.6 billion** euros in 2023.

OUR MEMBERS



Austria: Metaltechnology Austria
Die Metalltechnische Industrie



Belgium: AGORIA
Federation of the Technology Industry



Svaz strojírenské
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Czech Republic: SST
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Dansk Industri

Denmark: The Manufacturing Industry
a part of the Confederation of Danish Industry



Technology Industries
of Finland

Finland: Technology Industries of Finland



France: Evolis
Organisation professionnelle des
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Germany: VDW
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Italy: UCIMU
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macchine utensili robot e automazione



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Sweden: SVMF
Machine and Tool Association of
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Die Schweizer Maschinen-, Elektro- und
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