



Financing EU industry's digital transformation & global lead role

Industry is facing the challenges of digital transition and decarbonisation, while at the same time being hit by an exceptional symmetric shock. The sustainable evolution of Europe's industrial ecosystem and its international industrial leadership requires the EU to stand united.

Key Messages

#1 Shape the necessary frameworks to finance the EU's future.

→ Only a top level, innovative and competitive industry, working with the right framework conditions can sustain Europe's unparalleled levels of social spending.

→ Remaining in pole position requires the EU and Member States to maintain their levels of temporary, well-targeted support to the economy and its workforce until post COVID-19 recovery.

→ Access to affordable finance for companies of all sizes, including start-ups has to be part of Europe's innovation and needs driven New Industrial Strategy.

#2 Complete a cybersecure Digital Single Market and contributing to the success of the Green Deal while supporting industrial transition.

→ The new normal of digitalisation requires a comprehensive overhaul of the business and investment environment.

→ The Green Deal has been made the EU's flagship. Managed realistically and with industry involvement, reducing the carbon footprint has the potential to sustainably boost the entire economy.

#3 Create rules based trade for growth and people.

→ As the EU's involvement in global trade and value chains is vital, it must maximise its strength to ensure its priorities in trade. The EU-UK Future Relationship must reflect the realities of how the tech & industry sector works in practice.

The investment level in 2018 of the European tech and industry in innovation and tangible good, which was higher than ten years before when €105 billion was invested.



€ 129 billion



#1

Shape the necessary frameworks to finance the EU's future

→ The European economy, its social dimension and societies rely on a competitive industry and its products and services, that provide quality jobs.

The vision of an ever more social Union will not be achieved with additional burdensome legislation which hinders

businesses. EU policy makers must work with social partners to create a business-friendly climate to realise its objectives, which is even more true in the current pandemic and its aftermath.

→ Access to finance for companies, including for start-ups, is a key element of financing the EU's future. So is the provision of state of the art infrastructure. As private investment is of paramount importance, the EU has to ensure reliable and enticing framework conditions.

→ Europe has to be financially equipped to play in the global top league. The European Parliament and national Parliaments must swiftly finalise and make operational the EU's next Multiannual Financial Framework and the Next Generation EU package brokered at the July 2020 EU Council. This is not the time for sacrificing Europe to national interests. Innovation co-funded by the EU should be "Made in EU", ensuring data ownership and protection.

→ The World Bank 'Ease of Doing Business ranking' should serve as a benchmark when devising business policies. This could also include learning lessons from international start-up heatmaps.



#2

Complete a cybersecure Digital Single Market and contributing to the success of the Green Deal while supporting industrial transition

→ Digital transformation can only be fully taken advantage of in a genuine European effort, across all EU Member States, with industry in focus, ensuring a human-centred approach. Legislators should look forward, bearing in mind that overregulated labour markets hinder the uptake of digitalisation.

→ Digitalisation has the potential to boost economic growth, competitiveness, create new jobs and make labour markets more inclusive. That requires massive public investments in networks, cable-based broadband, 5G and better coverage in mobile networks also in rural areas, where many “hidden champions” are located.

→ Transforming the EU’s beating heart into a seamless and secure Digital Single Market is of pivotal importance.

→ Streamline the many -arguably overlapping and inefficient- EU strategies and initiatives in the area of digitising industry remains key to the digital transformation of industry. It would help metal, engineering and tech-based industry (MET) employers successfully navigate this field.

→ The European Green Deal has become the Commission’s flagship policy. For Europe to become climate-neutral by 2050, the EU and its Member States must set common targets, with industry. These targets should be ambitious and realistically attainable, as Member States and industry are focusing their efforts on surviving the exceptional COVID-19 pandemic and its unpredictable after-effects, which is to see many generally healthy companies in massive economic problems and even bankruptcies.

→ MET industries have their part to play in a ‘greener and ever more social’ European Semester, particularly in relation to the Annual Sustainable Growth Strategy. This can be used as a way to speed up the transition to a sustainable and inclusive economy. An innovative industry can provide solutions to the current eco-social-economic challenges, as it is at the cutting edge of innovation in green technology.



#3

Create rules based trade for growth and people

→ The EU is the world's largest single market and it is past time it lived up to its full potential and spoke with one voice on trade. The COVID-19 crisis has further highlighted this point and shown it can take important action together, as not only the Safety Nets, the Next Generation EU, but also the Commission's Coronavirus Global Corona Pledging Conference. The EU must fully harness its economic weight politically. It is needless to say that the Union carries more weight than individual countries and therefore has to use this power to shape trade deals in line with EU values and principles developing rules based and sustainable free trade, which drives prosperity, while not dismantling EU social standards. Exports account for about 70% of the sales of the European technology and industry sector, showing their importance to industry and the people it employs.

→ The current crisis must also be seen as a chance to create more unity among the Member States of the EU and to relaunch the European project making it fit for the future.

→ The symmetric pandemic crisis has shown the vulnerability of global supply chains paralysing industry. While the problem has for the moment been subsided, a coordinated European action plan is necessary to safeguard and possibly adapt supply chains, at least at a European level.

→ The EU-UK Future Relationship must reflect the realities of how the metal, engineering and technology-based industries sector works in practice, including in relation to labour mobility, trade of goods and regulation. This is not simply dealing with movement of people and trade but also decades of ever-integrating supply chains.

→ While the approach taken to ensure the required transparency during the EU-UK Future Relationship negotiations is appreciated, more has to be done to facilitate the inclusion of industry in this process. As the industry sector that is the most likely to be adversely affected by changes in this trading relationship, Ceemet must have a seat at the table.

→ Brokering an agreement should be pursued in the negotiations of trade and customs agreements with other important EU partners. These include the negotiations of a framework agreement with Switzerland with which the EU's industry is highly integrated. Overall, time will be needed to conclude negotiations and both sides should implement the bilateral agreements while refraining from any political pressure. Now is the time for a meaningful deal that preserves the complex and delicate relationships developed between manufacturers in the EU, their non-EU trading partners which are part of a Customs Union, and the UK.



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200 000 companies



35 million (in)direct jobs



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