

Mrs Marta Nováková
Minister for Industry and Trade of the Czech Republic

06 July 2018

Dear Minister Nováková,

First of all, we, the signatories, would like to thank you for your effort and your commitment to prioritise industrial policy during the Austrian presidency and we endorse your ministry's active participation in the HLG on Competitiveness and Growth. We are writing to you concerning EU industrial policy and the upcoming discussion in the informal Competitiveness Council (COMPET) on 16 July 2018 in Austria. As **industry and employer federations from Austria, Croatia, the Czech Republic, Hungary, Slovakia and Slovenia**¹, we share the view that under the Austrian presidency's chairmanship a European industry manifest ("Vienna Industry Charta") should be formulated, how to tackle long-term key challenges industry faces from a global perspective.

This manifest should focus on growth potential, employment, innovation and technological leaps as priority for Europe. It should further build on the Council's continued efforts in calling on the Commission to act. Building on her predecessor's Communication on a renewed EU Industrial Policy Strategy, the next Commission should propose a holistic EU industrial policy strategy with a focus on 2030 and beyond, including strategic goals and indicators.

We support the principle of reducing greenhouse gas emissions on European as well as on global level. However, so far Europe has put more emphasis on protecting the climate than it has put on its competitiveness and security of supply. Goals have been set to increase energy efficiency and the deployment of renewables, but at the same time, the EU's industrial quota has been declining. Industry has played a major role in lowering the EU's emissions. Thus, it is now essential that other sectors also contribute to fight climate change so that industrial competitiveness in the EU can be sustained.

A new 2030 European industrial policy strategy with a vision for 2030 and beyond, should consist of the following main elements:

- A new **industrial governance**: Industrial policy needs to be defined as an equal EU objective to other policy areas. Additionally, political responsibilities, interconnected structures as well as suitable monitoring processes need to be established. The EU must develop a list of indicators that can be used to both, assess the health and the performance of the European industry, also in comparison to its competitors in the world, and monitor the progress made by the EU on the implementation of its industrial strategy. In this vein, we very much welcome the launch of the High Level Industrial Roundtable "Industry 2030" to support the Commission.
- Improve the implementation of **industrial mainstreaming** (as highlighted in the 2017 Council conclusions): Industrial competitiveness issues need to be considered across all policy areas in order to prevent potential negative effects of EU legislation. The principles of Smart Regulation need to be applied consistently to continue cutting red tape. An example for this would be the future of mobility, where innovative

¹ The CEE Industry and Employers Federation Initiative was founded in 2005 as an informal platform among industry and employers' federations from Austria, Croatia, the Czech Republic, Hungary, Slovakia and Slovenia. Industries in the Central and Eastern European (CEE) region provide about six million jobs (sixteen percent of total EU industry related jobs). All participating federations are members of BusinessEurope and fully support the views of BusinessEurope.

technologies developed by industry form an integral part and thus, should receive equal attention in policies and strategies designed for mobility.

- Enhance **cost-competitiveness** and create favourable investment conditions by submitting an action plan to reduce cumulative regulatory costs, as a follow-up to the Commission's sector-specific cumulative cost estimates.
- Strengthen **research and development** to boost innovation: **Key enabling technologies** offer a competitive advantage to the European Union and should be further prioritised in EU funding. Thus, the next research framework programme **Horizon Europe** needs to be increased beyond the 98 bn. EUR in the next MFF as proposed by the EU-Commission. Additionally, incremental and break-through innovation should complement each other to achieve excellent results.
- Focus on the **whole value-chain**: Europe's strength is the symbiosis between companies of different sizes. Strengthening those links renders Europe's value chains more competitive and allows a successful integration into global ones.
- Address the skills mismatch and stimulate **adequate skills development** to fight the shortage of skilled labour (with special attention to STEMs and digital skills).
- Establish modern and rule-based international **trade relations**: Europe's industry needs fair conditions on a global scale with reciprocity between EU and third countries.

We believe that the Austrian presidency can deliver a legacy by formulating and agreeing on conclusions in the December European Council calling on the next Commission to deliver on a comprehensive EU Industrial Policy Strategy for 2030 and beyond, incorporating the above-mentioned key elements.

With these arguments in mind, we trust in your support and hope you consider our proposal.

Sincerely,



Christoph Neumayer, Director General
IV - Federation of Austrian Industries



Davor Majetic, Director General
HUP - Croatian Employers' Association



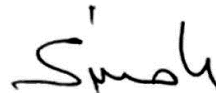
Stanislav Kázecký, Vice-President
SPCR - Confederation of Industry of the Czech Republic



István Wimmer, Secretary General
MGYOSZ - Confederation of Hungarian Employers and Industrialists



Peter Molnar, Secretary General
RUZ - National Union of Employers of Slovakia



Jože Smole, Secretary General
ZDS - Employers' Association of Slovenia

**This letter was sent in copy to the in the COMPET Council participating ministers from Austria, Croatia, the Czech Republic, Hungary, Slovakia and Slovenia.*