

Brussels, 5 March 2010

Can Brussels and Member States make the flagships sail?

Manufacturing industry has reclaimed its position at the base of the economic pyramid, in the economic strategy paper the European Commission published on the 3 March. Orgalime is very pleased with the renewed focus on industrial policy in the strategy and welcomes the proposal of the European Commission to further develop and build on policy initiatives which it has already initiated with stakeholders such as Orgalime with a focus to develop 'a stronger, deeper and extended single market'.

Among the points that Orgalime particularly welcomes in these initiatives are:

- Flagship initiative: "Innovation Union" → Improve framework conditions for businesses to innovate and priorities knowledge expenditure
- Flagship initiative: "An industrial policy for the globalisation era" → ...establish an industrial policy creating the best environment to maintain and develop a strong, competitive and diversified industrial base
- Flagship Initiative: "Resource efficient Europe" → complete the internal energy market, initiatives to upgrade Europe's (energy) networks, to decarbonise the transport and the energy sector
- Flagship Initiative: "A Digital Agenda for Europe" → provide a stable legal framework that stimulate investments in an open and competitive high speed internet infrastructure and in related services

Orgalime believes that the Commission is right in stating that we risk a 'lost decade' if we fail to reform and fail to live up to global competitiveness. Commented Adrian Harris, Orgalime Director General: *"It is time to act. We are talking of issues which will have a major impact on manufacturing companies for many years to come: what the EU does now will determine, when and where companies invest for the future as they recover from the economic crisis. You can only begin to talk about the welfare state, about solving budget deficits, about tackling environmental problems, if you have a solid industrial base. I am very happy to see that the European Commission is getting its priorities right – at least on paper. Manufacturing industry is the basis for future prosperity. The real questions however remain: can the institutions, both national and European work together to deliver the framework which will encourage growth in the EU? Will the Commission be able to propose and implement a coherent policy approach for its flagships or will it continue to undermine its own industrial policy efforts with other policies? And will political leaders from the Member States follow suit? These flagship initiatives risk 'running aground', if the Member States and the Commission do not commit to a shared vision and concrete targets in the areas of growth, employment, R&D-investment and higher education."*

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Orgalime, the European Engineering Industries Association, speaks for 33 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 22 European countries. The industry employs some 11.1 million people in the EU and in 2008 accounted for some €1,885 billion of annual output. The industry not only represents more than one quarter of the output of manufactured products but also a third of the manufactured exports of the European Union.