

**Brussels, 3 May 2018**

## **Draft long-term budget promises to deliver real EU added value for European industry and society**

Orgalime welcomes the outline of the next Multiannual Financial Framework (MFF) as put forward by the European Commission on 2 May. The proposed increase of the overall budget sends a positive signal on the EU's ambition to strengthen cooperation – while the targeted alignment of spending proposals with the Union's political priorities demonstrates a sharpened focus on tackling long-term economic and societal challenges.

“By seeking to boost research and innovation, accelerate digitisation and expand climate mainstreaming and overall sustainability, President Juncker, Commissioner Oettinger and their colleagues have presented a reinforced budget proposal that promises genuine EU value added for European industry and society,” comments Malte Lohan, Orgalime Director General. “Smart and strategic use of MFF funds has a vital role to play in delivering on the EU's industrial strategy towards 2030 and beyond – which can ultimately make Europe more competitive and sustainable while improving citizens' quality of life.”

With research and innovation (R&I) playing a key role in any forward-looking industrial strategy, it was encouraging to see not only a proposal to increase funding under the future Framework Programme Horizon EU, but also a pledge to maintain a focus on European industrial leadership throughout the programme. However, a dedicated industrial pillar is no longer foreseen. “To avoid damaging Europe's global competitiveness, it will be important to retain a central place for manufacturing and industrial technologies under this new framework,” Mr. Lohan points out.

Another positive aspect is the strong emphasis the proposal places on digital policy initiatives across the board, from R&I to support for SMEs, to education and skills development. The attention given to infrastructure modernisation is particularly welcome, as Mr. Lohan underlines: “More sustainable and modern infrastructures will lay the foundation for Europe's successful energy, digital and circular economy transitions – essential for the EU's future prosperity.” Moreover, with a proposal to raise climate mainstreaming targets across all EU programmes, the Commission is sending a clear signal to investors that Europe is serious about implementing the Paris Agreement at home and driving the global move towards a cleaner, greener future.

While the Commission's proposal has set the bar high, it is now up to the European Parliament and Council to deliver on this potential. “There is no time to lose,” concludes Mr. Lohan. “European industry is operating in an increasingly fierce global competitive landscape: the proposed MFF has the potential to help us master today's challenges in a way that can maximise the benefits for all citizens – but we need legislators to act with speed and ambition.”

**Ends**

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*Orgalime, the European Engineering Industries Association, speaks for 42 trade federations representing the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs nearly 11 million people in the EU and in 2016 accounted for some €2,000 billion of output. The industry represents over a quarter of the output of manufactured products and over a third of the manufactured exports of the European Union.*

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