



26 February 2014

ECONOMIE, PME, COMMERCE EXTÉRIEUR
TECHNOLOGIES NOUVELLES

LE VICE-PRÉSIDENT, LE MINISTRE

Mr Kostis HATZIDAKIS
Minister for Development
and Competitiveness
Nikis 5-7
GR-10180 Athens
GREECE

Dear Mr Hatzidakis,
Dear colleague,

Subject: March 2014 European Council on European Industrial Policy

The European Heads of State and government leaders will address the topic of European Industrial Policy at the European Council in March. I believe the industry ministers in all EU Member States are of the opinion it is high time for this discussion.

During the recent Competitiveness Council, under your presidency, we had an excellent debate in preparation of the discussion at the European Council. During that exchange of views, several colleagues and myself have referred to a joint letter to the President of the European Council.

This joint letter, which you will find annexed to this letter, has been signed by ten Member States (Austria, Belgium, Cyprus, Croatia, Estonia, Hungary, Lithuania, Luxemburg, Latvia, Malta). We believe the letter is complementary to our recent discussion at the Competitiveness Council as well as to other Member States initiatives we have seen emerging in recent weeks.

Taking account of the above and given that you are the president of our council formation, I believe the right way forward is that we pass our message through you. In that sense, my colleagues and myself would appreciate it if you could annex our letter, possibly together with other Member States initiatives, to your letter to the president of the European Council containing the results of our February discussion.

Mr Jean-Claude MARCOURT
Minister of Economy, SMEs, Foreign Trade and New
Technologies et Vice-President of the Government of Wallonia

Annex: letter to the President of the European Council

Mr. Herman Van Rompuy
President of the European Council

24 February 2014

Dear President Van Rompuy,

Subject: March 2014 European Council on European Industrial Policy – Joint call for commitment and action

In the perspective of the upcoming European Council which will hold an important debate on European Industrial Policy, the signatories of this joint letter wish to bring forward some key elements for an ambitious agreement building on the recent Commission's communication, which should drive strong action at all levels in support of industrial competitiveness and economy recovery.

A broad consensus is emerging among Member States about the necessity to develop a shared, strong, ambitious and proactive industrial policy in Europe, as **a core piece of the EU recovery strategy and of the Europe 2020 Strategy**. The Competitiveness Council of December delivered a clear message on the way to go. It's now time to take a decisive step in implementing EU priorities as described in the 2010 and 2012 Commission's communications.

The Annual Growth survey and the Alert mechanism report issued in November point to the **need to take measures fostering EU growth potential and stimulating growth-enhancing private and public investments in a long term perspective**. We need to invest in research and innovation, in skills, in interconnected and efficient infrastructure, and to support transition towards a resource-efficient and low carbon economy. This is, with the deepening of the Internal Market, a necessary condition to restore confidence, give a long term perspective to investors and industry, and doing so, allowing them **to open and seize new markets opportunities, and to develop a strong position within global value chains**.

We therefore **call for a joint commitment and determined action at all levels** – EU, Member States and Regions, Industry and social partners – **to implement a common agenda for industrial competitiveness and transition in priority domains for the future of industry, while grasping the industrial opportunities of becoming less carbon and resource intensive**. This should be based on the following principles and mutually reinforcing actions :

- Implementation of a **value chain approach**, which is recognized as constructing competitive advantage for Europe by tackling close interconnections between

sectors – notably **industry and services** – across borders, policy domains and levels of governance;

- Development of **common roadmaps for priority domains** on a **multi-level governance base**. Shared diagnosis, vision and commitments must be built between European institutions, Members States, Regions and Industry with a view to foster a real **investment boost** in Europe;
- In that context, a strong focus should be placed on **innovation and industrial transformation**, notably through enhanced support to pilot and demonstration projects, deployment of Key Enabling Technologies and emerging industries. Joint efforts are needed in this field, and EU tools under the 2014-2020 Multiannual Financial Framework (Horizon 2020, COSME, EIB/EIF, European Structural and Investment Funds,...) have a catalyzer role to play;
- Development of **European world-class clusters** connecting regional clusters, networks and ecosystems through **an ambitious policy**. Building a strong **EU smart specialization** policy should be a key element of this strategy. The smart specialization platforms proposed by the Commission are therefore welcomed. Building on bottom-up processes, collaborative and multi-disciplinary approaches, clusters constitute a strong lever for achieving critical mass, and developing market and demand-oriented innovation strategies;
- Strengthening the **coordinated approach of industrial competitiveness through all relevant EU policies** (RDI, State aid, Trade, Energy, Environment and Climate, Education and training, Employment, Internal Market, Cohesion Policy,...). We should not only make sure that decisions taken in other domains won't harm European competitiveness, but on a proactive way, develop a real integrated approach for supporting industrial competitiveness in policy making process through all relevant policy domains based on a shared analysis of the need for industrial transition. New coordination mechanisms are to be developed in that perspective, allowing a more effective combination of instruments to foster private investment.
- Up-scaling of the role of the **Competitiveness Council** which should become **the focal point** for discussion and policy making around industrial competitiveness challenges and industrial growth strategy focused on a new investment boost in the real economy, in collaboration with other Council formations. It should be given the mission to elaborate, implement and monitor the common industrial competitiveness roadmap. Analysis, preparation and coordination tools at its disposal should be reinforced in that perspective. Appropriate governance tools must be developed to ensure horizontal and vertical coordination.

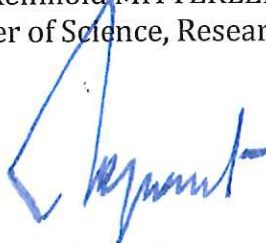
The debate on Industrial policy and industrial competitiveness challenges have strongly evolved in the last months, and we are now confident that the European Council will be able to agree on an ambitious package for determined action in support of industrial competitiveness.

We are looking forward to a fruitful debate at the March European Council on those issues and are committed to contribute to an agreement for a European Industrial Renaissance.

For Austria



Dr Reinhold MITTERLEHNER
Federal Minister of Science, Research and Economy



For Belgium

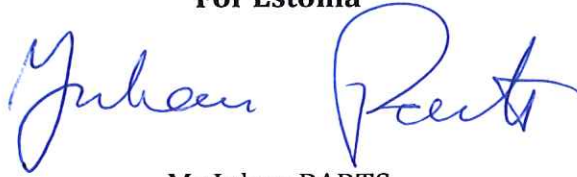
Mr Jean-Claude MARCOURT
Minister of Economy, SMEs, Foreign Trade and New
Technologies et Vice-President of the Government of Wallonia

For Cyprus



Mr Yiorgos LAKKOTRYPIS
Minister for Commerce, Industry and Tourism

For Estonia



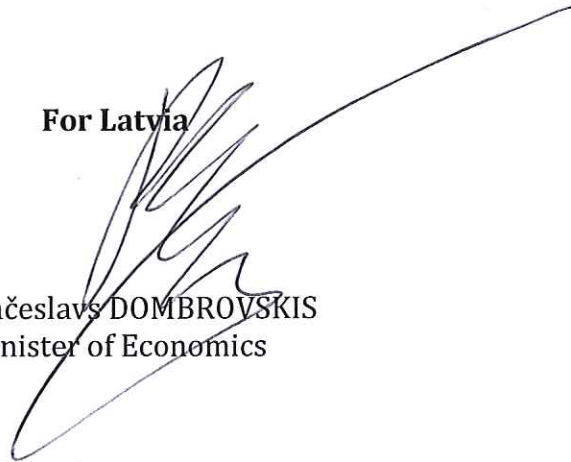
Mr Juhan PARTS
Minister for Economic Affairs and Communications

For Hungary



Mr Zoltán CSÉFALVAY
Minister of State for Economic Strategy
Ministry of the National Economy

For Latvia



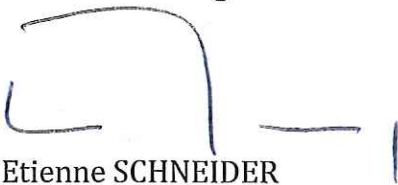
Mr Vjačeslavs DOMBROVSKIS
Minister of Economics

For Lithuania



Mr Evaldas GUSTAS
Minister for the Economy of the Republic of Lithuania

For Luxemburg



Mr Etienne SCHNEIDER
Deputy Prime Minister
Minister of Economic Affairs

For Malta



Dr. Christian CARDONA
Minister for the Economy, Investment and Small Business

For Croatia



Mr Ivan VRDOLJAK
Minister for the Economy