



 The path to our industrial future

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Conference

17/06/2021 | 2.30 p.m. – 6 p.m.

HYBRID/CCMI MEETING

# Updated industrial strategy: towards a more resilient and strategically autonomous EU industry



European Economic and Social Committee

# Conference Highlights

Following the publication of the European Commission's Update to the New Industrial Strategy, the European Economic and Social Committee (EESC) has been carrying out a [series](#) of activities to fulfil its role of representing the views of organised civil society. A key event in this process has been a [conference](#) held on 17 June 2021, from 2.30 to 6 p.m., on **Updated industrial strategy: towards a more resilient and strategically autonomous EU industry?** The overarching objective of the conference was to discuss the extent to which the updated industrial strategy contains sufficient elements to enhance **EU industry's resilience and strategic autonomy**. In particular, the topic has been tackled through two panels: the first panel dealing with strategic autonomy in strategic value chains; the second panel dealing with the impacts of the updated industrial strategy on the health industrial ecosystem

## Recommendations<sup>1</sup>

The Update to the New Industrial strategy represents a step forward in the history of EU industrial policy, building on the progresses already made thanks to the 2020 New industrial strategy. However, more efforts will now be needed to **streamline policies** related to different fields (industrial, innovation, environment, trade), different Commission DGs and different levels of government.

In this sense, there is an impression that on many levels the **social dimension** is not sufficiently taken into account. Social dialogue, as well as broad participation from local and national stakeholders in IPCEIs and innovation processes, are crucial to ensure that the ongoing transition is inclusive and no worker, company and region are left behind.

Targeted investments as well as diversification in trade relations are key in ensuring EU's **strategic autonomy**. This is essential in pursuing the aims of the green and digital transition. The EU should also leverage more strategically on those fields where other parts of the world are dependent on Europe.

This is especially true in the **pharmaceutical** sector, where proposals on mandatory security of supply and on structured dialogue on the vulnerabilities are welcome, and need to have adequate follow up.

The development of **industrial alliances** in some of the fields identified as vulnerable (batteries, raw materials, etc) is welcome. These are essential initiatives to promote innovation and foster quality jobs in Europe.

In the health sector, **resilience of the health systems** of the different Member States should become a political priority in the European Union. In this sense, the principles of the pillar of social rights needs to be implemented and cross-border health care needs to be strengthened.

Public investments in healthcare and public and private partnerships with innovative industries are needed in order to make Europe a **champion in the field of health**.

<sup>1</sup> These recommendations are a collection of key messages emerged at different points of the event. Each recommendation may therefore reflect the view of only one or part of the speakers, and should not be attributed to all listed speakers

## Welcome address



**Pietro Francesco de Lotto,**  
**President of the Consultative Commission**  
**on Industrial Change, EESC**



- Today we are adding an important piece in making the voice of civil society heard and give our point of view on the update to the new industrial strategy.
- The pandemic has accelerated many processes and exacerbated existing concerns on EU industry's resilience and strategic autonomy. For that reason, we welcome the update to the industrial strategy, announced by President Ursula von der Leyen in September 2020.
- The update contains some essential elements. The first one is the focus on strategic autonomy. For too long, the EU has been hesitant in answering the question of how assertive its trade and industrial policy should be. As much as we need open markets, we also need to strengthen our position vis-à-vis certain dependencies, starting from critical raw materials and from the 137 sensitive/vulnerable products for which Europe is dependent. Another essential improvement in the Commission's strategy is the shift to foresight, which is essential in pursuing the leadership in specific digital technologies.

## Welcome address



**Alain Coheur,**  
**President of the Section for the Single Market,**  
**Production and Consumption, EESC**



- This is an important debate that will feed into the preparation of both opinion INT/935 and opinion CCMI/185. Also, it is part of a series of events on the update of the new industrial strategy that will take place between June 2021 and March 2022.
- As Winston Churchill said, "never waste a good crisis". The challenges EU industry is facing today must be turned into new opportunities.
- For that, we need to ensure that Europe does not suffer industrial losses, and that we give all possible support to companies, workers, researchers in very specific sectors that are deemed as strategic. This must be done also by supporting companies that relocate their production capacities in Europe, and that adhere to Europe's ecological transition.
- We also need to enhance solidarity, cooperation and mutual respect, essential to ensure a rapid recovery. Also, we must hold up the European "model" built around social rights. Quality jobs, social protection and efficient public services create the right environment for industrial activities to flourish. For this reason, we also welcome the introduction of the concept of sustainable competitiveness in this update to the industrial strategy.

## Keynote speech



**Outi Slotboom,**  
**Director, DG GROW**  
**"Strategy & Economic Analysis"**



- The crisis has shown our dependencies and vulnerability when all of a sudden global supply chains were disrupted.

- The Updated industrial strategy responds to the lessons learned from the crisis to boost recovery, drive the transformation to a more sustainable, digital, resilient and globally competitive economy and enhance the EU's open strategic autonomy.
- Among the areas identified where action is needed, we highlighted in particular: strengthening the resilience of our internal market, for instance by supporting SMEs, and preparing it for facing future crisis, devising instruments that can ensure the free movement of goods, services and workers, analysing and addressing present and possible future critical and strategic dependencies to enhance the EU's open strategic autonomy, ensuring that all measures put in place, notably NextGenerationEU, contribute to accelerating and spreading the digital and green transition to all companies and citizens.
- Lastly, we will continue focusing on developing the right skills to live up to these transitions. We will also continue supporting new industrial alliances in strategic areas where necessary and the set-up of IPCEIs by Member States, in areas where the market alone cannot deliver breakthrough innovation.

## 1st Panel – Strategic autonomy in strategic value chains: a trendy mantra or an essential condition for a new industrial policy?



**Moderator:**  
**Sandra Parthie, Rapporteur of the EESC opinion INT/935**  
**on "Updating the new Industrial Strategy for Europe", EESC**

- The Commission's strategy is a good attempt at supporting businesses and supporting resilience. However, it should keep clear of determining the supply chains of companies in the long term, which is something at the core of companies' activity.
- Also, the strategy is not fully convincing in some areas, such as taxation, competitiveness, etc, where the EU has a shared competence with Member States.
- For this reason, today's panel is important to explore in how far the strategy can strengthen our industrial base, especially with respect to some key areas such as digitalisation and industrial standards.



**Anthony Whelan,**  
**Digital adviser of President von der Leyen**

- The updated industrial strategy is a good exercise in that it addresses strategic dependencies, something which was already noted before the crisis but never tackled in this comprehensive manner. In the strategy, 5000 product families have been thoroughly analysed, next to an analysis of ecosystems.
- Thanks to this analysis, we have identified a number of areas where the EU is in a situation of concern. 137 products were identified as vulnerable (significant concentration of resources). Just under half of these 137 products come mainly from China. We have also identified common dependencies with other partners, where we could develop common strategies.
- On some of the identified sectors, such as pharmaceutical products, raw materials, computer chips, etc. new activities are already underway to respond to the challenges emerges (including the Battery alliance, the Raw Materials alliance, etc).
- Let us also not forget that the EU is a great industrial power, and that there are fields in which other parts of the world are dependent on Europe, and this gives us a strategic position.
- We therefore need both targeted investments as well as diversification in our trade relations.



**Fabrice Stassin,**  
**Director Government Affairs Electromobility Projects,**  
**Northern Europe, France & Japan at Umicore**

- Umicore represents a good model for the transition that the EU and this industrial strategy are trying to achieve, as it underwent a complex transformation from being a Belgian company with ancient roots to a multinational company making a significant contribution to its own sustainability and that of other industries and societies.
- Being a multinational company, our value chains are by definition global. However, we are deeply rooted in Europe, both in the manufacturing and in the R&D side of our activity. That is why we are interested in preserving global value chains, but also in building regional value chains at the same time.
- For instance, one of our core businesses is constituted by lithium batteries, an activity that is particularly expanding in Asia but on which we are expanding in Europe too, also in the context of the Battery alliance.
- In that context, some actions would be needed in order to foster a faster development of a EU-based sustainable and responsible battery value chain: support for electromobility and infrastructure to recharge e-mobility; support for innovation in developing cost-competitive, sustainable and high-performance battery solutions; access to factors of production (including materials, finance, energy, skilled workers); better alignment between industrial, innovation, environment, trade policies.



**Luc Triangle,**  
**General Secretary of industriAll Europe**

- The example of Umicore shows that companies are able to deal with the green and digital transition. Companies need to make the right choices. We strongly support these transitions, and Europe must be a leader in this area so that companies and workers will benefit from Europe's leading role.
- During the pandemic, we have seen shortages of certain products because we were dependent on other continents. What we need, and what the industrial strategy attempts to achieve, is independence in order for the EU to drive the digital and green transitions.
- Trade unions believe that we need to have more independence regarding raw materials and to establish strategic partnerships if we want our decarbonisation efforts to really work out. Also, we need to focus on industrial alliances and on having a qualified workforce.
- Right now, our key fear is that too little attention is being paid to the social dimension of these transitions. While we believe that no worker, company and region should be left behind and that an inclusive transition is an essential condition, we see that on many levels the social dimension is not sufficiently taken into account.
- In that sense, we need to understand that social dialogue is crucial, and so is broad participation from local and national stakeholders in IPCEIs and innovation processes.



**Karel Lannoo,**  
**CEO of Centre for European Policy Studies (CEPS)**

- Up until the present Commission term, the picture concerning EU industrial policy has been diverse and at times not homogeneous. While in certain years there have been pushes for a strong industrial policy (for instance with the creation of Airbus), on the other hand this has always been seen as a Member State competence. That is why many attempts to have a comprehensive strategy, such as the Lisbon Strategy of 2000 or that under the Barroso Commission in 2009, have failed to live up to the expectations.

- The Von der Leyen Commission had already made an attempt at devising a comprehensive industrial strategy in March 2020, where focus was put on industrial ecosystems, on European values, on SMEs. Then the pandemic arrived, and the response of the EU institutions was quick and unprecedented (starting with an unemployment support system in April 2020 and then with a vaccine strategy in June 2020)
- This shows that a big step has been made compared to the past, as the history of EU industrial policy shows. However, now some streamlining efforts are needed. This is needed in the internal dynamics of the Commission among the different DGs, but also with regard to the competences of the EU and Member States.
- The health sector provides a good example of this dynamic, as evidenced in a recent [CEPS report](#). While the EU had far from exclusive competence in this area, it has taken initiative and has pushed for more coordinated action in several respects. Also, this area is now the object of investment and funding for research and development, especially in the pharmaceutical sector.

## 2nd Panel: Sanitary sovereignty or open strategic autonomy: the impact of the updated industrial strategy on the health industrial ecosystem



**Moderator:**  
**Monika Sitarova, Co-President of the Consultative Commission on Industrial Change**



- This panel will help us in assessing the impacts of the updated industrial strategy on the health industrial ecosystem.
- This ecosystem has shown its strengths, but also some vulnerabilities, during the COVID pandemic, and it is important that CCMI is focusing on this specific sector in its analysis of the strategy.
- We are particularly happy that, next to DG SANTE that will give us a different perspective on the matter, we also have speakers from trade unions and from the mutual benefit sector, in order to analyse the impact of these measures not only on big companies but also on society at large.



**Sylvain Giraud,**  
**Head of Unit Medical Products,**  
**DG SANTE**



- Reflecting on the title of this panel we need to stress that when talking about public health, we are focusing on a pan-industrial dimension of health policy, and the goal of public health is to ensure access to necessary medicines.
- The recently published [Pharmaceutical Strategy for Europe](#) is an important foundation in that sense, as it aims at ensuring access to affordable medicines for patients, and addressing unmet medical needs; supporting competitiveness, innovation and sustainability of the EU's pharmaceutical industry and the development of high quality, safe, effective and greener medicines; enhancing crisis preparedness and response mechanisms, diversified and secure supply chains, address medicines shortages.
- For obvious reasons, these are aspects that became even more important with the pandemic, and so is the proposal it contains to ensure that security of supply is mandatory. Along that line, we have also launched a structured dialogue on the vulnerabilities that have been identified in the supply chain, and launched specific actions linked to emergency response, such as the new agency HERA.
- It is also important to note that the document on strategic dependencies that accompanies the industrial strategy contains a section on active pharmaceutical ingredients.



**Humberto De Sousa,**  
**Sanofi works council**

- The COVID pandemic has certainly exposed some of the EU's vulnerabilities, but it has also put in light some of its strengths, both in its human capital and innovation and in its social model.
- We must learn some of the lessons of the pandemic. We have to think about the need for Europe to have a biological shield against any kind of attack not only in the form of a pandemic, but for example also bio-terrorist attacks. We could think of a consortium with public and private partnerships focused on the identification of this type of risks.
- Also, at European level we do not have the reagents to manufacture Messenger RNA (mRNA) vaccines, we depend on other countries in Asia and across the Atlantic. We should therefore develop a cartography of essential productions. We must not only think about making the production of pharmaceutical products safer, but we must be careful that their distribution is sufficient.
- It is necessary to reflect on how to promote investments in our territory, so that the production of large groups remains in Europe. We need to make sure we can produce, package, and inject products well for the health of all citizens of the European Union.
- Also, we need the European Commission, as well as national and local authorities, to invest in encouraging companies producing medicines and medical devices to relocate parts of their production, especially with regard to active pharmaceutical ingredients, in Europe.



**Sibylle Reichert,**  
**Executive Director of the International Association**  
**of Mutual Benefit Societies (AIM)**

- The pandemic has shown us, in all its phases, some clear guidelines for the future. Resilience of the health systems of the different Member States should become a political priority in the European Union. Sustainability should go hand in hand with adequacy, the principles of the pillar of social rights needs to be implemented and cross-border health care needs to be strengthened. Solidarity within and between Member States should be fostered.
- Another issue that was pre-existing, but that the pandemic has shown us inevitably, is that we must address social and health inequalities more forcefully in the future. Access to medical products and medicines must be guaranteed for all at fair prices.
- With regard to the digitization of health care, telemedicine has advanced exponentially and this implies the need to promote digital skills and literacy among users as well as upskilling and reskilling the workforce. This should be taken into account in the proposals of the European Commission on digital health. The proposals on the European Health Data Space need to be accompanied by a strong ethical framework. An ecosystem of trust must be created. It must be ensured that the data that are shared are being used for improving people's health.
- The principles of affordability, availability, transparency and accessibility need to be promoted with the EU's Pharmaceutical Strategy. AIM published fair pricing calculator last week highlighting the significant increase in pharmaceutical prices and the lack of transparency with regard to costs. With its calculator, AIM is proposing a model how to come to fair prices for medicine in the future. As mutual health insurers and sickness funds we need an industrial policy focused on public health and a health in all policies approach. We need to secure the supply of fair priced medicines, products and protective material in Europe and strengthen research and development to develop the medicine that meets the needs of the patients.
- Lastly, public investments in healthcare and public and private partnerships with innovative industries are needed. Also, consistent investment in education and training is needed to avoid staff shortages affecting healthcare providers and to have a health workforce that is skilled for the digital future of health. Solidarity in health care systems needs to be strengthened at all level. Europe should become a health champion.



**European Economic  
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Rue Belliard/Belliardstraat 99  
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