El buen vino se ha de beber en cristal fino
(Refrán español tradicional – anónimo)

Good wine should be drunk in fine crystal glass
(Traditional Spanish saying – anonymous)
A European Industrial Policy
-also for the Glass sector-

HEARING "An Industrial Policy for the European Glass Sector"
European Economic and Social Committee - Brussels, 22/10/2014

Ima Gómez López
DG Enterprise and Industry
European Commission
Outline

A. Setting the scene - Europe 2020

B. European Industrial Policy
   ➢ To face the challenges for Glass

C. Conclusion
A. Europe 2020

Towards a

- Smart
- Sustainable
- Inclusive

GROWTH

20% target of industry's share in Europe's GDP in 2020
Europe 2020 – Flagship initiatives

Smart growth
• Digital agenda for Europe
• Innovation Union
• Youth on the move

Sustainable growth
• Resource efficient Europe
• An industrial policy for the globalisation era

Inclusive growth
• An agenda for new skills and jobs
• European platform against poverty
European Industrial Policy in 2014

For a European Industrial Renaissance

B. European Industrial Policy in 2014

I. Why an industrial policy?

II. What kind of industrial policy? What to do? Who should do it?

III. How should it be implemented?
I. Why an industrial policy?

- *Increasing competitiveness is an urgent need for the EU*
  - In the long term
Europe is no longer a world "maker"

(Manufacturing contribution to GVA)
I. Why an industrial policy?

- *Increasing competitiveness is an urgent need for the EU*
  - In the long term
  - For the recovery
Low growth

Manufacturing recovery by MS

Low growth forecasts

GDP Growth forecasts for the Euro Area and the EU *(source: IMF, OECD and EC)*
I. Why an industrial policy?

- *Increasing competitiveness is an urgent need for the EU*
  - In the long term
  - For the recovery

- *The consequences of losing a strong competitiveness are a matter of concern: Industry matters!*
The consequences of de-industrialisation would be serious

Share of manufacturing on total value added in the EU and MS

II. What kind of industrial policy?

• A consolidated industrial policy for Europe? An industrial system in the EU

• A sectoral or a horizontal industrial policy? Activities

• Focused on manufacturing? No, services too

• The importance of sustainability

• Not a one off exercise, but continuity in the rolling out of IP, stability and predictability
Main challenges hampering growth

- Weak internal demand
Exports to the rest of the world have been the main driver of industrial activity
Main challenges hampering growth

- *Weak internal demand*
- *Non-conducive business environment*
Facilitating entrepreneurship and breaking barriers for SME growth

Starting up a business:
Costs comparison between EU-28 average, worst EU performer and international benchmark (NZ)

Main challenges hampering growth

- Weak internal demand
- Non-conducive business environment
- Low innovation and investment
Investment in the EU is not responding

(Index; 2005=100)
Main challenges hampering growth

- Weak internal demand
- Non-conducive business environment
- Low innovation and investment
- High energy prices
Energy prices

Weighted average industrial energy prices (including tax) by economy

Source: International Energy Agency
Main challenges hampering growth

- Weak internal demand
- Non-conducive business environment
- Low innovation and investment
- High energy prices
- Access to basic inputs difficult (raw materials, qualified labour and capital)
Loans to non financial corporations

Access to finance: Year-on-year growth of loans to non-financial corporations

Source: ECB, US Federal Reserve, Bank of Japan
The pillars of EU industrial policy

1. *Investment in innovation*

2. *Easy access to key inputs to firms, SMEs in particular*

3. *Maximise the potential of the Internal Market*

4. *Internationalisation of EU firms*

5. *Provide a business friendly environment*
1. Investment in innovation

• *Horizon programme*
• *Task forces*
  • Advanced manufacturing technologies
  • Clean vehicles
  • Bio-based technologies
  • Key enabling technologies
  • Smart grids
  • Sustainable construction
2. Easy access to production inputs

- Access to finance
- Access to raw materials
- Energy
- Skills
3. Maximize EU internal market's potential

- Finalize transport and energy networks
- Market surveillance and product safety
- Standards to accelerate innovation
- Student and workers' mobility for greater skills
- Facilitate diffusion of new technologies
- Internal market for services
4. Internationalisation of EU firms

- Exports: European success story to be continued
- Facilitate the integration of EU firms in global value chains
- Ensure access to global markets
5. Provide a business friendly environment

- Potential of clusters and smart specialisation
- Updated Small Business Act
- Growth-friendly public administration
- Regulatory fitness and performance programme
- Cumulative cost assessments
III. How to implement EU industrial policy?

1. *Improved policy making*

   • (a) Mainstreaming of competitiveness
   • (b) Building a partnership with Member States and Regions

2. *Credible commitment: Use our financial resources*
1. Improved policy making
   a) Mainstreaming of competitiveness

*Already underway inside the Commission. Ex:*

- **Tools:** Development of suitable instruments: Competitiveness proofing, fitness checks
- **Policies:** State aid modernisation - Cohesion policy

*More work remains to be done:*

- Systematic assessment of competitiveness impacts across policy areas and improving the analysis and knowledge base (e.g. competitiveness observatory)
- Upstream co-operation and impact assessments
1. Improved policy making:
   b) Building a partnership with Member States and Regions

- Co-ordinated approach needed between EU, MSs and regions: ownership and regular monitoring of industrial policy needed from COMPET Council

- Assessing the efficiency of mechanisms to ensure that decision-making and implementation of industrial policy at regional, national and EU level is mutually reinforcing
2. Credible commitment: Use our financial resources

- €2.3 billion COSME programme to support entrepreneurship
- > €100 billion of European Structural and Investment Funds (ESIF) available for regions to finance investments in industrial competitiveness
- €80 billion of the Horizon 2020 Programme available for financing the commercialisation of research
IP > to face the challenges for Glass

- 2030 Climate and Energy Package
- Energy
- Food Contact materials
- REACH
- Trade
Conclusions

*Europe 2020*
  - 20% of GDP for manufacturing by 2020

*European Industrial Policy*
  *Communication on "Industrial Renaissance"

  - Need to enhance industrial competitiveness to relaunch growth and employment
  - Reviews – CCAs

*Co-ordination of policies*
More info

Europe 2020
http://ec.europa.eu/europe2020/index_en.htm

European Industrial Policy

Communication on "Industrial Renaissance"

Communication on 2030 Climate and Energy Package

European Competitiveness report 2014
Thank you!

Mª Inmaculada GÓMEZ LÓPEZ
Policy Officer
Non-metallic mineral products (cement, ceramics, glass and lime sectors)

European Commission
DG ENTR (Enterprise and Industry)
Unit F3 – Raw Materials, Metals, Minerals and Forest-based industries
Avenue d’Auderghem 45 (Office: BREY, 11/156)
B-1049 Brussels/Belgium
+32 2 298 84 48
ima.gomez-lopez@ec.europa.eu