

# Mid-term review of industrial policy: a contribution to the EU's growth and jobs strategy

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The Committee on Industry, Research and Energy adopted the own initiative report by Romana **JORDAN CIZELJ** (EPP-ED, SI) on the mid-term review of industrial policy, in response to the Commission's Communication on this subject.

The report welcomes the Commission's communication and stresses that a prosperous industrial sector is essential for the achievement of the Lisbon goals. However, it regrets the weakness of the link between EU and national industrial policy and supports the Commission's and Member States' initiatives to strengthen this link.

MEPs believe that the main role of EU industrial policy is to put in place the right framework conditions for enterprise development, industrial investment, innovation and job creation, paying particular attention to the needs of small and medium-sized enterprises (SMEs). They argue in favour of an open and competitive internal market in services and industry and stress the crucial role of competition policy in this respect. They also underline the importance of an efficient public procurement regime for the competitiveness of European industry.

The Commission is called upon to step up its efforts to eliminate unnecessary administrative barriers that make access to the internal market difficult, to simplify and to improve the regulatory environment and to reduce the administrative burden on enterprises. In this context, MEPs support the forthcoming initiative for a 'Small Business Act' at European level. They also stress the urgency of establishing an EU-wide market for venture capital by removing existing regulatory and tax obstacles to venture capital investments in Europe's most innovative small firms.

The report underlines that the EU's environmental goals should not be seen as a threat to industry, but as an opportunity to gain a first mover advantage and make industry in the EU a world leader in environmentally friendly and socially acceptable technologies, products and services. MEPs consider that the Commission's proposed action plan on sustainable industrial policy should put in place a framework for a gradual transition towards a low carbon and energy and resource-efficient industry.

MEPs welcome the significant contribution of cohesion policy to ensuring competition in the industrial sector, and encourage Member States to further focus their investments within the European Regional Development Fund and the European Social Fund on fields which promote the growth of human capital, research, innovation, entrepreneurship and on assistance for SMEs. More generally, they draw attention to the need for ongoing priority investment in education, training and research.

The committee recalls that innovative products (representing 73% of EU exports) significantly strengthen the EU's competitive advantage. However, it notes that the EU still lags behind the United States and Japan in innovation. Therefore, it believes that Community funding programmes, such as the Seventh Framework Programme for research activities or the Competitiveness and Innovation Framework Programme, and the European Institute for Innovation and Technology, should be exploited to their fullest. In this respect, it welcomes the 'lead market' initiative and the Standards Action Programme.

Lastly, the report highlights that, in order to boost innovation throughout the EU, it is essential to support invention-related activities and protect the products of those activities. MEPs call on the Council to take action to introduce a Community patent as soon as possible and calls on the Commission to continue to

combat counterfeiting and to work towards global solutions in this area, based predominantly on European models.