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Implementation of the Updated New Industrial Strategy for Europe: aligning spending to policy

European Parliament resolution of 15 September 2022 on the implementation of the Updated New Industrial Strategy for Europe: aligning spending to policy (2022/2008(INI))

(2023/C 125/11)

The European Parliament,

- having regard to the Treaty on the Functioning of the European Union, in particular Articles 9, 151, 152, 153(1) and (2) thereof, as well as Article 173 thereof, which concerns EU industrial policy and refers to, among other things, the competitiveness of the Union's industry,
- having regard to the Treaty on European Union, in particular to Article 5(3) thereof and to Protocol No 2 thereof on the application of the principles of subsidiarity and proportionality,
- having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640),
- having regard to the Commission communication of 19 February 2020 entitled 'Shaping Europe's digital future' (COM(2020)0067),
- having regard to the Commission communication of 10 March 2020 entitled 'A New Industrial Strategy for Europe' (COM(2020)0102),
- having regard to the Commission communication of 10 March 2020 entitled 'An SME Strategy for a sustainable and digital Europe' (COM(2020)0103),
- having regard to the Commission communication of 11 March 2020 entitled 'A new Circular Economy Action Plan — For a cleaner and more competitive Europe' (COM(2020)0098),
- having regard to the Commission communication of 8 July 2020 entitled 'A hydrogen strategy for a climate-neutral Europe' (COM(2020)0301),
- having regard to the Commission communication of 5 May 2021 entitled 'Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery' (COM(2021)0350),
- having regard to the Commission communication of 14 July 2021 entitled "'Fit for 55": delivering the EU's 2030 Climate Target on the way to climate neutrality' (COM(2021)0550),
- having regard to the opinion of the European Economic and Social Committee of 19 January 2022 entitled 'Industrial ecosystems, strategic autonomy and well-being',
- having regard to the opinion of the European Committee of the Regions of 2 December 2021 entitled 'Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery' ⁽¹⁾,
- having regard to the Commission staff working document of 5 May 2021 entitled 'Annual Single Market Report 2021' (SWD(2021)0351),
- having regard to the Commission staff working document of 5 May 2021 entitled 'Strategic dependencies and capacities' (SWD(2021)0352),
- having regard to the Commission staff working document of 5 May 2021 entitled 'Towards competitive and clean European steel' (SWD(2021)0353),

⁽¹⁾ OJ C 97, 28.2.2022, p. 43.

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- having regard to the 2019 report of the Commission's High-Level Group on Energy-Intensive Industries entitled 'Masterplan for a Competitive Transformation of EU Energy-Intensive Industries — Enabling a Climate-neutral, Circular Economy by 2050',
- having regard to the International Energy Agency special report of 2021 entitled 'Net Zero by 2050: A Roadmap for the Global Energy Sector',
- having regard to Council conclusions of 21 November 2018 on 'A future EU Industrial Policy Strategy',
- having regard to the Council conclusions of 27 May 2019 on an EU industrial policy strategy: a vision for 2030',
- having regard to the Council conclusions of 16 November 2020 on a recovery advancing the transition towards a more dynamic, resilient and competitive European industry,
- having regard to the Council conclusions of 17 December 2020 on making the recovery circular and green,
- having regard to its resolution of 15 January 2020 on the European Green Deal⁽²⁾,
- having regard to its resolution of 17 April 2020 on EU coordinated action to combat the COVID-19 pandemic and its consequences⁽³⁾,
- having regard to its resolution of 25 November 2020 on a new industrial strategy for Europe⁽⁴⁾,
- having regard to its resolution of 16 December 2020 on a new strategy for European SMEs⁽⁵⁾,
- having regard to its resolution of 10 February 2021 on the new circular economy action plan⁽⁶⁾,
- having regard to its resolution of 19 May 2021 on a European strategy for hydrogen⁽⁷⁾,
- having regard to its resolution of 19 May 2021 on a European strategy for energy system integration⁽⁸⁾,
- having regard to its resolution of 24 November 2021 on a European strategy for critical raw materials⁽⁹⁾,
- having regard to the agreement adopted at the 21st Conference of the Parties to the UN Framework Convention on Climate Change (COP21) in Paris on 12 December 2015 (the Paris Agreement),
- having regard to the Commission communication of 30 September 2020 entitled 'A new ERA for Research and Innovation' (COM(2020)0628),
- having regard to the Commission communication of 25 November 2020 entitled 'Pharmaceutical Strategy for Europe' (COM(2020)0761),
- having regard to the Commission communication of 26 January 2022 entitled 'Establishing a European Declaration on Digital rights and principles for the Digital Decade' (COM(2022)0027),

⁽²⁾ OJ C 270, 7.7.2021, p. 2.

⁽³⁾ OJ C 316, 6.8.2021, p. 2.

⁽⁴⁾ OJ C 425, 20.10.2021, p. 43.

⁽⁵⁾ OJ C 445, 29.10.2021, p. 2.

⁽⁶⁾ OJ C 465, 17.11.2021, p. 11.

⁽⁷⁾ OJ C 15, 12.1.2022, p. 56.

⁽⁸⁾ OJ C 15, 12.1.2022, p. 45.

⁽⁹⁾ OJ C 224, 8.6.2022, p. 22.

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- having regard to the Commission staff working document of 8 April 2019 entitled ‘Technology Infrastructures’ (SWD(2019)0158),
 - having regard to its resolution of 13 December 2016 on a coherent EU policy for cultural and creative industries ⁽¹⁰⁾,
 - having regard to Commission Recommendation (EU) 2021/1749 of 28 September 2021 on Energy Efficiency First: from principles to practice — Guidelines and examples for its implementation in decision-making in the energy sector and beyond,
 - having regard to the UN Intergovernmental Panel on Climate Change report of 4 April 2022 entitled ‘Climate Change 2022: Mitigation of Climate Change’,
 - having regard to Rule 54 of its Rules of Procedure,
 - having regard to the opinions of the Committee on International Trade, the Committee on the Internal Market and Consumer Protection, the Committee on Transport and Tourism and the Committee on Regional Development,
 - having regard to the report of the Committee on Industry, Research and Energy (A9-0214/2022),
- A. whereas it is crucial to enable industry to implement the twin transitions, while creating high-quality jobs and ensuring competitiveness and its capacity to develop and produce clean products, services and production processes;
- B. whereas the aim of the Industrial Strategy must also be to strengthen the single market and foster technological breakthroughs in order to make the EU a world leader in green and digital technologies;
- C. whereas industrial and manufacturing processes represent the backbone of the EU labour market and should foster the creation of high-quality jobs;
- D. whereas in a changing geopolitical world, strengthening strategic autonomy and reducing EU dependencies on critical materials, products, energy, manufacturing capacities and technologies is vital, while maintaining an economy as open as possible and as closed as necessary;
- E. whereas the Russian war of aggression against Ukraine has shown once again that the EU is highly dependent on energy supply from third countries; whereas the EU needs to refocus its industrial and energy policies with the aim of diversifying its energy sources as quickly as possible, increasing energy savings and energy efficiency measures, as well as deploying massive volumes of renewables and adopting a much stronger circular economy approach across industries based on resilient and sustainable supply chains;
- F. whereas a high level of energy supply dependency, such as on Russia, and high energy prices can be detrimental to the production capacities of European companies; whereas the availability of materials and components, and of manufacturing capacity in Europe is essential to avoid replacing the EU’s energy dependency with an accrued dependency for the supply of rare-earth minerals, other critical metals, equipment, or manufacturing capabilities;
- G. whereas the EU is home to world leading research institutes, companies and skilled people and has the potential to be a world leader in industrial innovation;
- H. whereas the Commission, having identified its strategic dependencies in the most sensitive industrial ecosystems, has announced that it will propose concrete systemic (economic and regulatory) measures to reduce these dependencies, including by securing and promoting production and investment in Europe;

⁽¹⁰⁾ OJ C 238, 6.7.2018, p. 28.

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- I. whereas the EU needs to address the resilience of supply chains, while creating an attractive, innovative high-value manufacturing and supply ecosystem, aligned with Europe's research and development (R&D), innovation, climate and environmental goals;
- J. whereas CO₂ emissions from industry have fallen by 35 % since 1990, in part owing to the relocation of production;
- K. whereas the estimated economic potential of reducing final energy consumption by 2030, compared to business as usual, is of 23,5 % for European industry ⁽¹⁾;
- L. whereas the Commission has recognised that more economic sectors such as the health sector, the agri-food sector, the mining and raw materials extraction industry and the digital technology industry are crucial to achieving the EU's strategic autonomy;
- M. whereas the Commission has recognised in the new updated industrial strategy that unsustainable market policies, including on public procurement, could lead to market consolidation;
1. Welcomes the update of the industrial strategy; stresses that for the Green Deal to be a true sustainable and transformational growth strategy, reduce dependencies and maintain a level playing field for European industry during the twin transitions, it needs to be accompanied by ambitious industrial policy in order to become a competitive front runner in a net-zero greenhouse gas (GHG) emissions and sustainable economy, and to create synergies between businesses, small and medium-sized enterprises (SMEs) and start-ups, and that it needs to be supported by an ambitious R&D policy and SME-friendly framework; stresses that this need has increased significantly as a result of the ongoing climate and energy crisis and the Russian war of aggression against Ukraine; highlights, in this regard, the need for targeted relief measures for vulnerable customers in the industrial context, in particular vulnerable SMEs and micro-enterprises, which have also been strongly affected by the effects of the COVID-19 pandemic;
2. Calls on the Commission and the Member States to consider the impact of the Russian war of aggression against Ukraine on European industry and its capacities in current and future initiatives and objectives, and to adopt a holistic approach when it creates incentives to support strategic industrial sectors and their supply chains, which are facing a sharp increase in the costs of energy, transport and raw materials; recognises that there are numerous measures that can help reduce these impacts, while also reducing GHG emissions and air pollution;
3. Stresses that a functioning European single market is an important asset to strengthen industrial resilience, Europe's attractiveness as an investment destination and the competitiveness of the EU, as well as to enhance the twin transitions as a base for new growth in industrial sectors;
4. Underlines that the EU cannot be dependent on non-EU countries for products, energy, manufacturing capacities and technologies that are essential to our economy and for our society of the future; stresses that the EU needs to regain a strong position in crucial global value chains and secure the supply of critical raw materials in times of crisis, also through the increased use of circular business models; highlights the benefit of shorter supply chains for the resilience of our economy and for achieving the EU's climate ambitions;
5. Highlights the importance of international collaboration, equal partnerships and open global fair trade for the European economy, noting that one of the most efficient ways to strengthen European industrial resilience and reduce dependences is to diversify supply chains through ambitious trade policy measures, including strategic trade and investment agreements;
6. Calls on the Commission to present clear and science-based transition pathways for the industrial ecosystem as soon as possible, including by identifying the needs for a successful transition in terms of infrastructure, technologies and skills; calls on the Commission to ensure consistency, coordination and synergies across all initiatives, objectives, funding and regulatory instruments that will support industry through the transitions; highlights the need for alignment between the transition pathways, the industrial technology roadmaps and the Strategic Research and Innovation Agendas of the

⁽¹⁾ European Court of Auditors Special Report 02/2022: 'Energy efficiency in enterprises. Some energy savings but weaknesses in planning and project selection' https://www.eca.europa.eu/Lists/ECADocuments/SR22_02/SR_Energy-effic-enterpr_EN.pdf

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European Partnerships under Horizon Europe; calls for annual monitoring and reporting on the competitiveness, technological progress, employability and resilience of our industrial ecosystems and on the progress of individual sectors' transition pathways, including their consistency with the EU climate goals, so that instruments can be adapted swiftly when needed; stresses that all stakeholders in the value chain, including civil society, the academic community, consumer organisations, trade unions and the European Scientific Advisory Board on Climate Change should be involved in a transparent manner in the process of the transition pathways ensuring a continuous, science-based monitoring of progress;

7. Calls on the Commission to present a strategy focused on the transition of the most energy-intensive industries that would allow them to preserve their competitiveness and at the same time support greater EU strategic autonomy, as these industries are often of strategic importance;

8. Recalls that Europe's industrial competitiveness to a large extent depends on its capacity for innovation; notes that the EU is outperformed by other economic powers in R&D expenditures as a percentage of GDP; reiterates the importance of an ambitious level of investment in R&D to improve the EU's competitive position in the world; regrets that the target of 3 % of GDP investments in R&D has still not been achieved in the vast majority of Member States; calls on the Commission to coordinate Member States' efforts in further committing to increased national R&D investment targets, in particular for national public and private funding for industrial innovation and research to move towards curiosity-driven and low technology readiness level research to maintain and improve the knowledge base which sustains Europe's industrial innovation; highlights, in this regard, the role open science partnerships can play; calls on the Commission to ensure that investment in R&D is also geared towards the participation of micro-enterprises;

9. Points to the need for Horizon Europe's work programmes and the public-private partnerships to take account of the new circumstances resulting from the Russian invasion of Ukraine, in particular clusters 4 and 5 on 'industry, digital and space' and on 'climate, energy and mobility', and to focus industry-oriented R&D on the replacement of fossil fuels and on reducing the reliance of EU industries on energy imports;

10. Calls on the Commission to contribute to closing the investment gap with global competitors for key enabling technologies; welcomes, in this regard, the Commission's proposal for a European Chips Act and the establishment of the European Alliance for Industrial Data, Edge and Cloud; calls on the Commission to swiftly kick off the delayed work of the European Industrial Alliance for Processors and Semiconductor Technologies; calls on the Commission to extend swiftly these initiatives to other research, development and innovation (RDI) instruments and to key enabling technologies, such as batteries, artificial intelligence, cybersecurity, automation and robotics, biotechnology, edge computing, photonics and quantum computing and technology;

11. Welcomes the Commission's efforts in relation to the European semiconductor ecosystem, including increased local production capacity, pilot lines and first-of-a-kind manufacturing sites for advanced chip technology, chip and system design; stresses the need to ensure that the funding of European Chips Act will not lead to decreased funding for other existing related EU programmes; welcomes the Staff Working Document accompanying the European Chips Act (SWD (2022)0147); nevertheless calls on the Commission to produce an impact assessment, including the environmental impact, and a comprehensive analysis of the future needs for chips, the competitive advantage of different types and the potential for chip production in Europe;

12. Highlights the importance of fully implementing the existing Strategic Research and Innovation Agenda (SRIA) of the Key Digital Technologies Joint Undertaking (KDT JU), as this is a crucial agenda for the Union's strategic autonomy in several key enabling technologies; considers that redirecting the funding of the KDT JU towards research specifically on chips should primarily happen within the framework of the existing SRIA;

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13. Stresses the need to strengthen 'Made in EU' and accelerate the adoption of Industry 4.0 technologies, particularly by SMEs; calls on the Commission to embed the 'Made in Europe' partnership strongly in the Horizon Europe programme and to do so by fostering SMEs' cooperation with universities and research and technology organisations; emphasises that 'Made in Europe' should stand not only for quality and innovation, but also for highly sustainable and socially fair industrial products, processes and services, and promote the recovery of quality employment and manufacturing opportunities throughout the Union, in order to support the balanced and sustainable development of all EU regions;

14. Stresses the importance of the Industrial Forum established by the industrial strategy and notes that, among the five task forces that were created, one is directly relevant for the single market and analyses the horizontal aspects of the single market and the removal of barriers, while another has a specific focus on advanced manufacturing as an horizontal enabler for a wide range of ecosystems;

15. Underlines the importance of the Union's zero pollution ambition and of a fully integrated circular economy to create an efficient and decarbonised industry; calls on the Commission to undertake analyses on recycling and reintroducing into the product cycle; calls on the Commission to give particular consideration to funding and tender opportunities to projects of companies that are innovative front runners in the circular economy, as well as to the need to stimulate the development of lead markets; considers that waste prevention and the reduction of waste-related energy and resource consumption, as well as closed loop recycling along whole industrial sectors, are indispensable for a circular economy; further highlights the importance of standards, purchasing mandates, quotas, sustainability and reparability by design facilitating the recycling and reuse of important (critical) raw materials, as well as of the enhanced use and longevity of products;

16. Welcomes the Commission's announcement issuing guidance on public procurement and its efforts to promote reciprocity in access to public procurement markets; stresses that public procurement is an essential instrument for national and economic security, industrial policy, social and ecological sustainability and for supporting the uptake of and demand for sustainable products and services; underlines that public procurement mechanisms should further support the transformation of Europe's industry by fostering the production of eco-innovative, cost-effective and sustainable goods and services, and increasing the demand for secondary raw materials stemming from the deployment of circular production processes; calls, in this regard, on the Commission to review public procurement and competition rules where needed, while ensuring the proper functioning of the single market; recalls the importance of the guidelines developed by the Commission on how Member States should include performance goals and quality criteria, as well as the Most Economic Advantageous Tender (MEAT) criterion, in the contracts awarded; calls on the Commission to safeguard access for SMEs and to combat procurement criteria that set requirements or qualifications beyond the core elements of the service or goods purchased, so that SMEs have a fair chance to participate in the substantial market for public procurement; calls for the highest level of vigilance with regard to non-European actors acquiring critical infrastructure;

17. Recalls the role of sustainable procurement practices in preventing medicines shortages, ensuring security of supply and securing manufacturing investments; urges the Commission to support Member States by developing targeted EU rules on the procurement of medicines, under the current public procurement directive, aimed at ensuring long-term sustainability, competition, security of supply and stimulating investments in manufacturing;

18. Calls on the Commission to assess the joint procurements launched during the COVID-19 outbreak, to compare them with the advanced purchased agreement, and to make use of the lessons learned to improve this tool by avoiding any internal market disruption;

19. Highlights the importance of including education, upskilling and reskilling in the transition pathways as important tools in the transformation of EU industry and in the efforts to achieve higher productivity, taking into account the needs of the labour market of regions in the process of economic revitalisation, in order to prevent regions becoming impoverished; calls on the Commission and the Member States to develop a strategy for vocational education and business-education partnerships together with social partners, particularly within regional industrial clusters, to boost skills and enhance the uptake of ready-for-market innovations by SMEs, and by establishing incentives for SMEs to train and improve the skills of

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their personnel and workers, especially in the field of digital skills; highlights the need to strengthen cooperation between R&D and industry, especially in the form of technology transfers to SMEs; stresses that the promotion of gender equality, gender mainstreaming, equal opportunities and women's labour market participation and entrepreneurship should be ensured;

20. Stresses the importance of proactive education and training policies that foster recruiting and retaining talent in the EU; calls on the Commission and the Member States to support world-class researchers and teachers in the EU to lead the education, research, development and training agenda of the future workforce and to enhance collaboration between education and training, research and the business sector;

21. Stresses the need for Member States to implement the Pact for Skills and the Union's other initiatives aimed at creating reskilling and upskilling opportunities for the workforce, to equip individuals with the required skills leading to professional diversification and to address labour and skills shortages and speed up the re- and upskilling of workers and the unemployed, especially the workers who are most vulnerable in terms of the transition; highlights the need to implement the initiatives aimed at reinforcing the European Research Area, the European Education Area and the European Innovation Ecosystems, aimed at building a strong European internal market for research and innovation;

22. Stresses that less qualified workers are especially vulnerable; highlights, in this regard, the relevance of the Just Transition Fund, despite its limited scope;

23. Underlines that SMEs and start-ups play a central role in EU industrial ecosystems, especially in the digitalisation of the EU, and are a critical source of sustainable and socially responsible business models and product innovation; stresses the need to improve their access to national and EU financing, in particular in traditional sectors where digitalisation has not been developed yet; regrets the financing gap for entrepreneurs caused by gender, sexual orientation or origin; highlights the role of the European Innovation Council to foster a European start-up and investment ecosystem more conducive to the development of deep-tech and high-risk, high-reward innovations;

24. Is of the opinion that the initiatives to achieve the Digital Decade will contribute to the digital transformation of businesses, especially SMEs, which still lag behind large companies on digital skills and on the digitalisation of their operations;

25. Highlights the need to address the existing barriers in the single market that are hindering the growth of SMEs and start-ups in Europe, as well as the need for an improved legal and regulatory framework and consequently to introduce SME-friendly policies;

26. Stresses the need to modernise and future-proof the regulatory framework in order to ensure regulatory stability and predictability, which facilitates innovation, investments, the approval of innovative products and services, and enables the transformation to a net-zero GHG economy and to secure Europe's competitiveness and high-quality jobs, while taking into account the economic, environmental, gender and social aspects; calls on the Commission to include roadmaps in the transition pathways, with binding quantitative and qualitative targets, after concluding an impact assessment, and to reduce unnecessary administrative burdens for European businesses, especially SMEs; stresses the 'one in, one out' principle;

27. Highlights the need to reduce unnecessary administrative burdens for companies, especially for SMEs and start-ups, while maintaining the highest standards for consumers, workers, health and environmental protection; stresses that Europe is experiencing a turning point as a result of the Russian war of aggression against Ukraine and the consequences of the COVID-19 pandemic; calls on the Commission to assess whether new legislative proposals would place undue regulatory or administrative burden on companies;

28. Recalls the role that the public administration plays to ensure a business-friendly economic environment and to reduce unnecessary administrative burdens on enterprises, while ensuring the highest standards of transparency and workers' safety; believes that e-government tools, digital innovation policies and the enhancement of digital skills should be promoted within the public sector and among its employees;

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29. Underlines the national and regional dimensions of industrial policy and the role of regional smart specialisation strategies, in particular in terms of employment and economic and industrial development throughout the territory of Member States; calls, in this regard, for an analysis of the achievements of smart specialisation strategies as a platform for future measures at regional level; stresses the need for transparent participation of all local stakeholders, including civil society and community representatives, in the preparation and implementation of regional smart specialisation strategies; calls on the Commission to include instruments to increase the use of 'Made in EU' at a regional level;

30. Calls on the Commission to build on regional ecosystems that embrace their own smart specialisation, help to bridge regional disparities and involve the public administration, higher education institutions, scientists, civil society and industry to combine their knowledge and co-create content, context and learning experiences;

31. Insists on the need to ensure the social fairness of industrial transition and to develop adequate measures to support the re-industrialisation of regions in transition through strategic interregional investment projects and through re-development plans for vulnerable regions, especially rural and remote areas;

32. Stresses the need for a fundamental reorientation of our European energy policy in response to Russia's violent invasion of Ukraine; calls for a significantly reduction in the EU's energy dependence, especially on Russian gas, oil, coal and nuclear fuel; calls on the Commission and the Member States to accelerate the production capacities of sustainable, affordable, secure and abundant renewable and transitional low-carbon energy, and to increase energy savings and energy efficiency measures; calls on the Commission to more effectively support the development of energy sources that will allow the increasing electricity needs to be met and to increase the coordination of the planning and financing of the needed infrastructure, in particular for the needed electricity, energy, smart grids, hydrogen, CO₂ and heating/cooling infrastructure;

33. Stresses that a stable supply of energy is essential to the proper functioning of the European industrial ecosystem; warns that an energy supply contraction could have damaging consequences for productive infrastructure; highlights, in this regard, the need for a coordination system that would systematically monitor the availability of gas in times of crisis, in order to facilitate common European strategies to deal with the crisis;

34. Points to the fact that the processes of heating and cooling remain one of the most significant energy uses in the industrial sector; underlines that, in order to accelerate the reduction of GHG emissions in industry, the energy efficiency potentials in industrial heating and cooling need to be fully tapped; stresses the need to make better use of unavoidable waste heat and cold, as well as industrial clusters and symbioses offering significant synergies and energy-saving potentials in many sectors, including textiles, chemicals, food processing and machinery;

35. Calls on the Commission to step up its efforts in unlocking the potential of the circular bio-economy, where sustainable and renewable resources are used in order to promote competitive and resilient industries in the long term; highlights, in this regard, that the use of biomass waste can effectively substitute fossil fuels, while allowing the CO₂ footprint to be reduced; urges, therefore, the EU, national and local authorities to encourage such a circular approach in all policies;

36. Calls on the Commission and the Member States to bring down the time needed to issue permits substantially and create fast-track permitting procedures for infrastructure that supports industry in the transition to a climate-neutral circular economy, without prejudice to the transparency, legitimacy and legality of the existing procedures; emphasises, in this context, the need for the development of a hydrogen backbone in Europe, to further develop the interconnections across our continent and to support the widespread deployment of energy-saving technologies such as the installation of highly efficient local renewable energy generation facilities and co-generation, in particular for SMEs;

37. Reiterates the need for an enabling framework to develop sustainable mobility and to support sector coupling;

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38. Calls on the Member States and the Commission to accelerate the implementation of all EU RDI, infrastructure and digital programmes and instruments in a smart and selective way, including important projects of common European interest to target market failures, and industrial alliances, as well as technology infrastructures to test, validate and upscale new technological solutions, particularly those that develop the innovative breakthrough technologies needed for the twin transitions, particularly those related to energy production, fuels and key enabling technologies, and for the implementation of an efficient circular economy, such as clean steel, clean aviation, e-fuels, clean fertilisers, and e-cracking;

39. Stresses that a swift assessment of important projects of common European interest (IPCEI) applications by the Commission is crucial for the resilience of European industry; calls on the Commission to establish clear, effective, simple and comprehensive guidelines regarding IPCEIs; reiterates the importance of the de-risking of funding, such as through InvestEU or the Innovation Fund, which is essential for enhancing the EU's manufacturing capabilities in key strategic sectors, such as the solar industry, enabling it to rebuild a solid European manufacturing base;

40. Highlights to the great potential of Carbon Contracts for Difference (CCfDs) as a vital instrument to trigger emissions reductions and reduce dependency on fossil fuels in industry; considers their importance in particular for hard-to-abate sectors, upscaling technologies and for supporting their diffusion within sectors; emphasises that CCfDs should be proportionate, in line with EU legislation, WTO-compliant and should not lead to undue distortions of the EU's internal market;

41. Welcomes the Commission analysis on strategic dependencies and capacities, in line with the aim of strategic autonomy; calls on the Commission to finalise the analyses and industrial technology roadmaps as soon as possible and propose actions to reduce dependence on the identified critical products, including recycling and resource-efficiency actions, and supplies, including energy suppliers; highlights the importance of assuring the uninterrupted access of essential medical and healthcare equipment to the EU common market, following the experience gained from the initial shortages at the beginning of the COVID-19 pandemic; highlights the necessity of a strategy based on further in-depth analysis of mutual dependencies to strengthen the EU's capacity in critical value chains and manufacturing; while remaining committed to multilateralism and free trade;

42. Calls on the Commission to adopt a holistic value chain approach when analysing strategic dependencies across the 14 critical industrial ecosystems it has identified in its 2021 Annual Single Market Report; recommends that these in-depth examinations be extended to all sectors considered as strategic; asks the Commission to take into account the impact of the extraterritorial measures taken by non-EU countries on EU industries, particularly in terms of export controls; points out that to avoid creating new dependencies and vulnerabilities, the Updated New Industrial Strategy should be driven by European resources and technological capabilities;

43. Underlines that recycling has to play a critical role in increasing the supply of raw and secondary materials, thereby reducing the EU's reliance on imports from non-EU countries; calls on the Commission to further support measures to limit the increase in demand for primary raw materials, such as promoting the circular economy, supporting R&I for material substitutions, including sustainable supplies in trade agreements, and through strategic partnerships for raw materials;

44. Calls on the Commission to broaden the scope of the Observatory of Critical Technologies to include continuously monitoring, evaluating and reporting on resilience indicators for EU industries, such as mutual dependencies in key technologies, manufacturing capacities, an early warning system for potential shortages, strategic dependencies and foreign subsidies in strategic sectors;

45. Calls on the Commission and the Member States to create ad hoc incentives for investments in the production of critical goods, such as essential medicines, to achieve its open strategic autonomy, as well as for manufacturing technology with a view to any kind of crisis, including a war, while ensuring long-term resilient supply chains;

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46. Calls on the Commission to ensure that the measures proposed in the EU Pharmaceutical Strategy ensure the role of the EU as an innovator in R&D, as well as guarantee competitiveness, provide reliable and affordable supplies, access to modern medicines and that they stimulate innovation and investment in R&D; notes that attracting a strong research-based pharmaceutical industry to the EU will also support EU resilience; stresses the need to support dedicated investments in R&I, the manufacturing of medicines and active ingredients in the EU and maintaining vibrant research-based and production facilities on its territory;

47. Is strongly concerned about unfair competition, investments and takeovers by non-EU state-financed companies on the single market, especially in strategic sectors such as energy supply, needed to ensure the Union's independence and energy security; calls on the Commission to analyse this interference, to guarantee a level playing field, especially for SMEs, to develop suitable and legally sound measures to prevent interference, while, overall, ensuring that the well-established framework of EU competition policy is not be undermined and fair competition is promoted among non-EU and EU companies alike operating in the EU single market;

48. Welcomes the Commission's proposals aimed at establishing a level playing field for both European and non-European companies; stresses the need to maintain European companies' export competitiveness in connection with these proposals;

49. Calls on the Commission, with a view to the next review, to broaden the scope and definitions of the framework for foreign direct investment to address the effect of foreign subsidies on economic security in the EU and of technology transfers by EU companies in non-EU countries in strategic sectors;

50. Calls on the Commission to promote the transfer of environmental technologies to developing countries in order to facilitate the green transition on a global scale;

51. Is concerned about the increasing dependence on non-EU producers for security equipment in vital and sensitive parts of our society, such as border-, cyber-, and defence security; stresses the need to designate security technology and equipment a strategic sector; calls for an action plan to boost this EU industry, including through adapted public procurement rules;

52. Highlights the conclusions of the European Court of Auditors' report on delays in implementing 5G networks and the risks associated with non-EU vendors ⁽¹²⁾; calls on the Commission to stimulate a coordinated 5G roll-out in the EU and reduce external dependencies and interference risks in 5G and 6G communication technology through coordinated support to enable European players to build the R&D capacities for 6G systems and develop lead markets for 5G infrastructure as a basis for the digital and green transformations; calls on the Commission to ensure an adequate level of competitiveness in the field of 5G technologies, while guaranteeing the security of 5G networks;

53. Highlights that the cultural and creative industries and sectors are central to the New European Bauhaus movement which will be a crucial initiative; notes that cultural and creative sectors are a driving force for innovation and development in Europe; calls on the Commission to develop a comprehensive, coherent and long-term industrial policy framework for the cultural and creative sectors;

54. Welcomes the Commission's proposal for a Data Act and the development of a common European data spaces initiative; underlines the role that interoperable, competitive and Europe-wide data spaces will play for several industrial sectors, including artificial intelligence development, mobility, the environment, health and smart manufacturing; emphasises the need for a differentiated approach that takes the characteristics of each sector into account; believes that the leading role of non-EU/European Economic Area companies in the EU data spaces initiatives may water down the goal of strengthening the EU's technological sovereignty; stresses the importance of the data economy and asks the Commission to accelerate all data-related initiatives and support the emergence of a European data space ecosystem based on trustworthiness, competitiveness and interoperability, and to foster the creation of shared European infrastructures to facilitate the use and the exchange of data across industrial sectors, strengthening the data, cloud and edge ecosystems and reinforcing investments in high-speed communications; stresses, in this regard, the importance of legal certainty which is key for the innovative capacity of EU companies;

⁽¹²⁾ European Court of Auditors Special Report 03/2022: '5G roll-out in the EU: delays in deployment of networks with security issues remaining unsolved', Publications Office of the European Union, Luxembourg, 2022.

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55. Highlights the need to ensure the resilience of communication networks and the security of dataspace, thereby encouraging the swift deployment of fibre networks that could ensure multiple pathways and resilience to physical and cyberattacks;
56. Calls on the Commission to ensure that the digital transition makes use of state-of-the-art methods and best practices to reduce GHG emissions, computational complexities, increase energy efficiency and the efficiency of data of the systems in productive use; stresses, in this regard, the necessity for a method to include an environmental sustainability assessment in the digital transition, including on energy use, over the entire life cycle of products and systems;
57. Calls on the Commission to introduce measures to prevent non-EU ownership of EU notified bodies, which are designated by an EU country to assess the conformity of certain products before being placed on the market;
58. Welcomes the Commission's initiative for a European standardisation strategy that aims to support the digital transformation and the green transition, and shares the ambition to take a more proactive approach towards strategy setting for standards, including at international level, with key trading partners;
59. Notes that, in order to achieve strategic autonomy, the EU needs to develop its defence capabilities; stresses the importance of providing policy direction and developing ambitious public programmes to support and boost investments in the space and defence industries; believes that it is of the utmost importance to operationalise a reliable, modest and efficient European defence equipment market, including a high degree of technological sovereignty;
60. Instructs its President to forward this resolution to the Council and the Commission.
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