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P9_TA(2020)0321

A New Industrial Strategy for Europe

European Parliament resolution of 25 November 2020 on a New Industrial Strategy for Europe (2020/2076(INI))

(2021/C 425/06)

The European Parliament,

— having regard to the Treaty on the Functioning of the European Union (TFEU), in particular its Articles 9, 151, 152, 153 (1) and (2), as well as its Article 173, which concerns EU industrial policy and refers, among other things, to the competitiveness of the Union's industry,

— having regard to Articles 14, 27 and 30 of the Charter of Fundamental Rights of the European Union,

— having regard to the TFEU and to the Treaty on European Union (TEU), in particular to its Article 5(3) and to Protocol No 2 thereto on the application of the principles of subsidiarity and proportionality,

— having regard to Article 3(3) TEU, which refers to the internal market, sustainable development and the social market economy,

— having regard to the European Pillar of Social Rights,

— having regard to the findings of the Digital Economy and Society Index 2020, published on 11 June 2020,

— having regard to the Commission document of 2 June 2020 on the Roadmap of the Pharmaceutical Strategy — timely patient access to affordable medicines,

— having regard to the Commission communication of 27 May 2020 entitled 'Europe's moment: Repair and Prepare for the Next Generation' (COM(2020)0456),

— having regard to the Commission communication of 27 May 2020 entitled 'Adjusted Commission Work Programme 2020' (COM(2020)0440),

— having regard to the Commission communication of 19 February 2020 on a European strategy for data (COM(2020)0066),

— having regard to the Commission White Paper of 19 February 2020 on 'Artificial Intelligence: A European Approach to Excellence and Trust' (COM(2020)0065),

— having regard to the Commission report of 19 February 2020 on the safety and liability implications of Artificial Intelligence, the Internet of Things and robotics (COM(2020)0064),

— having regard to its resolution of 15 May 2020 on the new multiannual financial framework, own resources and the recovery plan [1],

— having regard to the Commission's European Economic Forecast: Spring 2020,

— having regard to the conclusions of 23 April 2020 of the President of the European Council following the video conference of the members of the European Council,

— having regard to its resolution of 17 April 2020 on EU coordinated action to combat the COVID-19 pandemic and its consequences [2],

— having regard to the joint communication from the Commission and the High Representative of 8 April 2020 on the global EU response to COVID-19 (JOIN(2020)0011),

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[1] Texts adopted, P9_TA(2020)0124.
[2] Texts adopted, P9_TA(2020)0054.

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— having regard to the conclusions of 17 March 2020 of the President of the European Council following the video conference with members of the European Council on COVID-19,

— having regard to the Commission communication of 13 March 2020 entitled 'Coordinated economic response to the COVID-19 Outbreak' (COM(2020)0112),

— 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), to the conclusions on 'More circularity — Transition to a sustainable society' adopted by the Council at its 3716th meeting held on 4 October 2019 (12791/19), and to the Commission communication of 2 December 2015 entitled 'Closing the loop — An EU action plan for the Circular Economy' (COM(2015)0614),

— 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 proposal for a regulation of 4 March 2020 establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) (COM(2020)0080),

— having regard to the Commission communication of 19 February 2020 entitled 'Shaping Europe's digital future' (COM(2020)0067),

— having regard to the Commission Work Programme 2020 entitled 'A Union that strives for more' (COM(2020)0037),

— having regard to its resolution of 15 January 2020 on the European Green Deal [3],

— having regard to the Commission communication of 14 January 2020 on the Sustainable Europe Investment Plan (COM(2020)0021),

— having regard to the Commission report of 28 November 2019 entitled 'Masterplan for a Competitive Transformation of EU Energy-Intensive Industries — Enabling a Climate-neutral Circular Economy by 2050' (report by the High Level Group on Energy-intensive Industries),

— having regard to its resolution of 18 December 2019 on fair taxation in a digitalised and globalised economy: BEPS 2.0 [4],

— having regard to the European Council conclusions of 12 December 2019 (EUCO 29/19),

— having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640),

— having regard to the European Council conclusions of 20 June 2019 on 'A new strategic agenda for the EU 2019-2024' (EUCO 9/19),

— having regard to the conclusions on 'A future EU Industrial Policy Strategy', adopted by the Council at its 3655th meeting held on 29 November 2018 (14832/2018),

— having regard to the Commission communication of 22 May 2018 on 'A New European Agenda for Culture' (COM(2018)0267),

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[3] Texts adopted, P9_TA(2020)0005.
[4] Texts adopted, P9_TA(2019)0102.

— having regard to the Commission communication of 13 September 2017 entitled 'Investing in a smart, innovative and sustainable Industry — A renewed EU Industrial Policy Strategy' (COM(2017)0479),

— having regard to its resolution of 5 July 2017 on building an ambitious EU industrial strategy as a strategic priority for growth, employment and innovation in Europe ([5]),

— having regard to its resolution of 1 June 2017 on digitising European industry ([6]),

— having regard to the question for an oral answer to the Commission on building an ambitious EU industrial strategy as a strategic priority for growth, employment and innovation in Europe (O-000047/2017),

— having regard to its resolution of 19 January 2016 entitled 'Towards a Digital Single Market Act' ([7]),

— having regard to the Commission communication of 19 April 2016 entitled 'Digitising European Industry — Reaping the full benefits of a Digital Single Market' (COM(2016)0180),

— having regard to the Paris Agreement, ratified by the European Parliament on 4 October 2016,

— having regard to its resolution of 5 October 2016 on the need for a European reindustrialisation policy in light of the recent Caterpillar and Alstom cases ([8]),

— having regard to the European Council conclusions of 15 December 2016 and 23 June 2017,

— having regard to its resolution of 13 December 2016 on a coherent EU policy for cultural and creative industries ([9]),

— having regard to the Council conclusions on the Industrial Competitiveness Agenda, on the digital transformation of European industry and on the 'Digital Single Market Technologies and Public Services Modernisation' package,

— having regard to the Commission communication of 14 October 2015 entitled 'Trade for All — Towards a more responsible trade and investment policy' (COM(2015)0497),

— having regard to its resolution of 15 January 2014 on reindustrialising Europe to promote competitiveness and sustainability ([10]),

— having regard to the Commission communication of 22 January 2014 entitled 'For a European Industrial Renaissance' (COM(2014)0014),

— having regard to the European Council conclusions of 22 May 2013 and of 22 March 2019 (EUCO 1/19),

— having regard to Rule 54 of its Rules of Procedure,

— having regard to the opinions of the Committee on the Environment, Public Health and Food Safety, the Committee on International Trade, the Committee on Employment and Social Affairs, the Committee on the Internal Market and Consumer Protection, the Committee on Regional Development, and the Committee on Legal Affairs,

— having regard to the letter from the Committee on Fisheries,

— having regard to the report of the Committee on Industry, Research and Energy (A9-0197/2020),

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([5]) OJ C 334, 19.9.2018, p. 124.
([6]) OJ C 307, 30.8.2018, p. 163.
([7]) OJ C 11, 12.1.2018, p. 55.
([8]) OJ C 215, 19.6.2018, p. 21.
([9]) OJ C 238, 6.7.2018, p. 28.
([10]) OJ C 482, 23.12.2016, p. 89.

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A. whereas the European Union requires a new industrial strategy in line with the goal of climate neutrality by 2050 at the latest that will create the conditions for an innovative, inclusive, resilient, digitalised society and will make a major contribution to the global competitiveness of European industries; whereas this strategy should maintain high levels of employment and high-quality jobs, leaving no-one behind; whereas such a strategy needs to ensure the twin transition to a European industrial base that is modern, digitalised, tapping the full potential of renewables, highly energy- and resource-efficient and climate-neutral; whereas the strategy should also strengthen European global leadership and reduce the Union's dependency on other parts of the world in strategic value chains by means of diversification and making them more sustainable, avoiding the delocalisation of European industries while preserving an open market;

B. whereas the COVID-19 pandemic and its fallout have created an unprecedented economic downturn in Europe that risks exacerbating inequalities and social tensions in the Union, especially among the most vulnerable citizens;

C. whereas industrial competitiveness and climate policy are mutually reinforcing and innovative and climate-neutral reindustrialisation will create local jobs and ensure the competitiveness of the European economy; whereas such an approach should be applied across all policies related to the green and digital transition;

D. whereas the Union needs to unlock the untapped entrepreneurship potential of particular social groups among whom it needs to be fully developed, including young people, migrants, older people and women; whereas the Union's industrial strategy could represent an opportunity to foster the entrepreneurial culture of under-represented or disadvantaged groups and to enable them to fully contribute to the digital and green transition;

E. whereas all sectors of the economy, and in particular SMEs, have been impacted by the COVID-19 pandemic and the unprecedented economic downturn it has created, with some sectors even coming to a complete standstill; whereas in this context a rapid and just recovery will not be achieved through 'business as usual', and any future-oriented industrial strategy should start by addressing industrial recovery and long-term global competitiveness, especially in growth sectors and those sectors hit hardest by COVID-19 lockdown measures;

F. whereas new debts contracted to survive the economic downturn are likely to leave companies with a more fragile financial structure, leading to sluggish growth and lack of investment capacities in the short, medium and long term for achieving the twin transition to an economy that is both digitalised and climate-neutral, resource-efficient and circular;

G. whereas in these circumstances the Union requires an industrial strategy that has two distinct phases, one focusing on recovery and the other on reconstruction and resilience; whereas the economic recovery should be based on a strong social and environmentally sustainable approach and should support industrial reconstruction towards a successful digital and green transformation, with skilled workforces accompanying these transformations and ensuring a fair and just transition;

H. whereas the industrial sector in Europe is highly intertwined and there are strong interrelationships between Member States and different approaches to companies of different sizes; whereas, consequently, a coordinated European policy that ensures that the entire chain of production can benefit, from large enterprises to SMEs, will be more successful in increasing Europe's global competitiveness and sustainability;

I. whereas the Union should continue to pursue ambitious trade agreements both multilaterally and bilaterally; whereas before the COVID-19 crisis, European industry, while remaining the pillar of the Union's economy and employing approximately 32 million people, was already at a crossroads, with its contribution to EU GDP having decreased from 23 % to 19 % over the last 20 years; whereas it is currently facing intense international competition and is often affected by increasingly protectionist trade measures from third countries which do not practise high environmental and social standards;

J. whereas the New European Industrial Strategy needs to ensure the twin transition to a European industrial base that is competitive and sustainable; whereas this transformation constitutes an opportunity for Europe to modernise its industrial foundations, maintain and reshore jobs and key industrial production, and build up the skills and capacities that are essential for the global effort to deliver on the objectives set in climate law and the Sustainable Development Goals (SDGs);

K. whereas the strategy needs to provide the necessary regulatory framework to enable the twin transition, as well as the necessary infrastructures and financial resources, and to focus on the 'energy efficiency first' principle, energy and resource savings, renewable and zero and low-carbon energy technologies, circularity and non-toxicity;

L. whereas beyond the COVID-19 crisis, climate change and environmental degradation remain among the greatest challenges and require a comprehensive common approach; whereas EU industrial emissions contribute to Europe's total greenhouse gas (GHG) emissions; whereas the decarbonisation of energy-intensive industry remains one of the greatest challenges on the pathway towards achieving climate neutrality by 2050 at the latest; whereas all sectors should contribute to the achievement of the Union's climate objectives;

M. whereas the COVID-19 crisis has pointed up the crucial role of digital assets, including connectivity and networks, as well as of digital skills, as tools enabling workers and companies to adapt the way they carry out their tasks and operations to the emergency situation; whereas the resilience of the digital infrastructure and the enhancement of the digital skills of the workforce are priority areas in terms of boosting the competitiveness of European enterprises, especially SMEs;

N. whereas the new industrial strategy of the Union should focus on increased connectivity, enhanced digital layers, the Industrial Internet of Things (IIoT), artificial intelligence, digital ledger technologies, hyper-performance computing and quantum computing; whereas the digital sector will also contribute to the European Green Deal and the industrial transition towards climate neutrality, both as a source of technological solutions and optimisation of industrial processes, and by improving the energy efficiency and circular economy performance of the digital sector itself;

O. whereas the Union's sovereignty and strategic autonomy require an autonomous and competitive industrial base and massive investment in research and innovation, in order to develop leadership in key enabling technologies and innovative solutions and ensure global competitiveness; whereas the Union's industrial strategy should contain an action plan to strengthen, shorten, make more sustainable and diversify the supply chains of European industries in order to reduce over-reliance on a few markets and increase their resilience; whereas there should also be a strategy for smart reshoring in order to redeploy industries in Europe as well as to increase production and investment and relocate industrial production in sectors of strategic importance for the Union;

1. Considers that the transition towards a socially, economically and environmentally resilient society, strategic leadership and autonomy and a well-functioning single market should be at the very core of all Union strategies; believes, therefore, that it is necessary to deliver a fully functioning and forward-looking legislative and policy framework grounded in understanding the dynamics between the recovery plan, our climate and digital ambitions and an effective industrial strategy that streamlines the different approaches, targets and goals; calls on the Commission to define a comprehensive revised industrial strategy which will provide a clear policy framework and regulatory certainty, and, inter alia:

(a) creates the conditions for long-term growth, improves the Union's innovation-based prosperity and global competitiveness and achieves climate neutrality;

(b) mobilises the appropriate financial resources, including measures for recovery;

(c) supports and manages the twin green and digital transitions, maintaining and creating high-quality jobs;

(d) delivers on the European Green Deal (EGD);

(e) secures, makes more sustainable, diversifies and digitalises strategic value chains, also by promoting and supporting rules-based international trade;

(f) strengthens the entrepreneurial spirit, creates a business-friendly environment, supports SMEs and encourages the creation and upscaling of companies, including start-ups;

(g) improves the Union's strategic resilience and autonomy, including in raw materials, and enhances technological leadership,

(h) creates the conditions for equal development and encourages it across all the Union's regions, while leaving no-one behind;

2. Calls for an inclusive industrial strategy that involves all industrial ecosystems, SMEs, regions, communities and workers in its development and implementation; is of the opinion that a strong industrial strategy can help bridge potential fractures and make it possible to seize the opportunities created by the twin transitions; is convinced that the Union's industrial strategy must be able to rely on a strong social pillar and address the social consequences of structural change in a timely manner;

3. Considers it essential to invest in active labour markets and to provide education and training programmes aiming at meeting the needs of the economy; calls on the Commission to put in place a Union policy that matches the number of jobs that may be lost in the traditional industries with the demand for labour in the digital and green transformation industries; encourages the Commission and the Member States, since these new jobs are unlikely to be created in the same regions that would lose traditional industries, or to be taken up by the same workers, to facilitate the economic and social revitalisation of territories risking depopulation and impoverishment, paying particular attention to gender disparities;

4. Considers this twin transition to be a chance for fossil-dominated areas to move towards the frontline of innovation and a system of production that is compatible with the climate neutrality objectives; calls on the Commission, therefore, to ensure that this transition fosters conditions for job creation that are fair and socially just in the spirit of the no-one-left-behind principle, going hand in hand with the full implementation of the European Pillar of Social Rights, improvement of social and living standards and good working conditions; underlines in this respect the need for every action accelerating the twin transition to be accompanied by corresponding policies and concrete actions aiming at tackling the negative effects both on regions and on the most vulnerable people;

5. Stresses that, to this end, the focus needs to be put on regional and social cohesion and the anticipation and management of restructuring, tailored to specific characteristics and needs of the local labour market, with the aim of bringing about the economic revitalisation of the affected regions and also aiming at tackling unemployment and promoting the use of public investment, also in essential sectors particularly hit by the pandemic, in order to support high quality jobs throughout the Union; underlines the importance of workers' participation in the management and governance of companies;

6. Insists on the identification of future skill-sets and on increased investment in human resources, education, targeted training, upskilling and lifelong learning, so as to provide people and regions with future perspectives and income, as well as supplying industry with skilled workers; notes that a competitive industry depends heavily on recruiting and retaining a qualified workforce with crucial skills in the field of sustainability and digital transformation of businesses, and that this should be supported with adequate funding from the Digital Europe Programme and the Single Market Programme;

7. Calls on the Commission and the Member States to act to strengthen the coordination of education policies, with massive public investments in them across Europe; furthermore urges the Commission to set up an expert stakeholder group tasked with predicting future industrial skills gaps and shortages, with the help of AI and digital resources, especially big data's capabilities;

8. Believes that the new long-term strategy for Europe's industrial future should contribute to combating the gender pay gap and gender pension gap that still affect the European labour market and European society; calls on the Commission to take the gender dimension into due account in the implementation of the European industrial strategy, in both the recovery and the reconstruction and transformation phases, including the use of gender budgeting tools in the definition of the financial instruments supporting the industrial and economic growth of the Union;

9. Underlines the key role that European industry can play in actively engaging in favour of ambitious environmental, social and economic objectives, including in the area of human rights; considers that for this to materialise, the Union needs to equip itself with an overarching due diligence framework for industry so as to identify, trace, prevent, mitigate and account for environmental and social risks, impacts, abuses and harm, in its domestic and global activities and across supply chains, in order to ensure minimum standards and create a level playing field;

10. Considers that the Union requires an industrial strategy that contributes to industrial recovery from the current economic crisis, attracts investments, facilitates access to capital and stimulates effective competition; believes, therefore, that an updated strategy should take into consideration two main and interlinked phases: one aimed at consolidating jobs, reactivating production and adapting it to a post-COVID 'new normal', and a second phase aimed at reconstruction and transformation;

11. Calls on the Commission, in this regard, to bolster relevant existing and future legislation so as to prioritise the green and digital transitions while strengthening long-term competitiveness and societal and economic resilience throughout both phases; furthermore, calls on the Commission to stimulate the Union's internal demand and long-term growth by attracting more investment, both public and private, in research and innovation, in the development of the new sustainable and digital technologies, including in labour-intensive industries, in new infrastructure networks and projects that are compatible with the European Green Deal goals, in energy and resource efficiency and in the circular economy;

12. Calls on the Commission to prepare a comprehensive report assessing the state of the Union's economy and the feasibility of carrying out the twin transition, considering the opportunities for industry, including SMEs, to reap the synergies and minimise the risks they may present to each other and to maximise the benefits; asks the Commission, on the basis of its findings, to adapt the strategy published in March 2020 to the current situation and address both phases, while keeping the focus on a green, digital, fair and just transition that reinforces the Union's sovereignty and its strategic autonomy;

13. Underlines that the Union's industrial strategy must pursue well-defined aims and, in the interests of full transparency, calls on the Commission to establish clear, explicit and concrete definitions of 'strategic', 'autonomy', 'strategic autonomy', 'resilience', 'strategic resilience', and other related concepts, so as to ensure that the actions taken with reference to these concepts are specific and aimed towards the EU's priorities and goals;

14. Considers that traditional insurance instruments are not sufficient to cover the losses from business interruption caused by a pandemic, and that an ambitious EU-wide solution is needed to anticipate and manage the negative effects of a future pandemic or systemic crisis on people, businesses and the economy; calls on the Commission to work towards the creation of a framework involving institutional investors, Member States and the EU, to cover the losses due to business interruption in case of a future pandemic;

15. Welcomes the Commission's proposal to create a new recovery instrument, namely Next Generation EU (NGEU), of EUR 750 billion; deplores the cuts to future-oriented programmes proposed by the European Council in July 2020, in both the 2021-2027 MFF and the NGEU, and calls for spending from the EU budget on climate change efforts to be increased to at least 30 % of the budget; considers that these cuts will undermine the foundations of a sustainable and resilient recovery for the Union's industry and will have negative spillover effects on reaching the Union's 2050 climate neutrality objectives, as well as for social justice and global competitiveness; calls, therefore, for an ambitious and stronger long-term EU budget for 2021-2027 that does not go below the Commission proposal; in this regard, highlights Parliament's position on the reform of the EU's own resources system, including the introduction of new resources that are better aligned with and incentivise progress on major EU policy priorities;

16. Welcomes the measures taken by the Union to deal with the COVID-19 crisis, the injection of liquidity by the ECB, the increase in the EIB's capital for SMEs, and the SURE initiative to help Member States finance short-time working arrangements, maintain employment and protect workers; welcomes, also, the extraordinary financial means under the State Aid Framework for supporting otherwise solvent businesses and workers in countering the pandemic's economic fallout; calls on the Commission, nonetheless, to ensure that the aid provided in the emergency phase is justified by the consequences of the pandemic and does not lead to a lack of effective competition in the single market, and that no strategic sector is neglected; furthermore, looks forward to a timely revision of the Union's State aid rules in order to give Member States the necessary flexibility for targeted support in driving industrial decarbonisation and digitalisation, and particularly of the guidelines on State aid for environmental protection and energy; emphasises in this regard that any revision of the State aid rules should be based on an impact assessment of the competitiveness of European industry, should take into account the possible distortions on a global level, and should be fully consistent with the EU's 2050 climate neutrality and environmental goals as agreed in the EU Climate Law;

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17. Underlines that State aid should only be granted to companies facing the immediate economic effects of COVID-19 and that the loosening of State aid rules should be time-limited; in this regard, calls on the Commission to propose a specific State aid regime targeted at supporting the sectors that have suffered the most from the COVID-19 emergency measures, such as the automotive, tourism, aviation, steel and metal industries; calls on the Commission to set common minimum requirements for companies receiving financial assistance, in order to avoid different national criteria giving rise to further discrepancies; underlines that the public aid received should safeguard jobs and be used to align the operations of the companies concerned with the Union's climate neutrality and environmental objectives;

18. Underlines, in the context of the emergency assistance, the importance of providing support to undertakings that respect applicable collective agreements and are not registered in tax havens;

19. Underlines, furthermore, that any State aid attributed under industrial or any other policy should adhere to the common 'balancing principle', in order to ensure a level playing field and avoid all forms of fiscal dumping within the EU and distortions of competition;

20. Calls on the Commission to establish a clear, consistent and accessible approach to market definition in competition cases across different industries; further emphasises the need to ensure sufficient speed, transparency and proportionality in the administrative and procedural framework of EU competition proceedings, and particularly in EU merger control;

21. Encourages the Commission to establish a reporting system on the ways in which foreign protectionism affects the Union's industry, as well as a regular assessment of the competitiveness of the different sectors of the Union's industry compared to its main global competitors, and to act rapidly if adjustments of Union rules are necessary;

22. Calls on the Commission, in the light of a profoundly changed global economic context, to review the Union's antitrust rules, seeking a balance between the need to cope with global-scale competition and the protection of the supply chain and consumers from the potential negative consequences of a more concentrated internal market;

23. Considers that the economic schemes put in place by individual Member States to help SMEs, start-ups and companies to cope with the short-term cash crunch are useful, but might in some cases increase their debt levels; in this context, calls on the Commission to support EU and national programmes incentivising capital increase and to facilitate recovery;

24. Calls on the Commission to revive and renew the spirit of the Small Business Act, through initiatives aimed especially at supporting micro and small businesses, since 'one size fits all' measures are often not suitable for microbusinesses and SMEs; believes that SMEs are best served by ad hoc support measures that avoid bureaucratic obstacles and ensure that the necessary liquidity reaches companies through effective and accessible tools and fast, agile and SME-friendly procedures; stresses that many SMEs will not have the liquidity to invest in a sustainable digital transformation;

25. Underlines that EU funding programmes have an impact on increasing the long-term growth level of beneficiary companies, but also stresses that companies, in particular SMEs, face substantial difficulties in accessing EU funding; therefore asks the Commission also to follow the path already experienced of co-financing national provisional tax credit schemes aimed at fostering investments in digital and environmental technologies;

26. Reiterates the importance of ad hoc support measures addressed to SMEs, via sound financial support in the next MFF; encourages the Commission to consider the creation of an SME voucher programme to support SMEs' efforts, including those to upgrade obsolete equipment, enhance knowledge transfer and identify the most effective uses of technologies, such as industrial AI, and upskill the workforce with the immediately necessary skills to allow remote asset control, production monitoring and employee collaboration, as well as environmentally sustainable business models, circular economy approaches, energy and resource efficiency, areas in which digital know-how is often crucial and allows SMEs to stay competitive;

27. Regrets that there is still a significant gap between large companies and SMEs with regards to the integration of digital technologies in their business operations, as well as a gap between frontrunners and laggards in innovation; highlights the need to increase opportunities for SMEs as regards their capacity to absorb innovative technologies and to reduce digital imbalances in terms of infrastructure in smaller cities and rural and remote areas; in this regard, calls on the Commission to further support the European Digital Innovation Hubs, which thanks to knowledge of local ecosystems represent a potentially effective way to reduce the digital divide;

28. Believes that social economy enterprises should be fully involved in the outcome of the industrial strategy, since they create public value and also contribute to the development of the local communities they are grounded in; calls in this regard on the Commission to take into account the specificities of this category of enterprise in the design of the financial instruments and work programmes, in order to support their access to finance;

29. Underlines that there are specific attributes that make the economically sustainable transition to a climate-neutral and fully digital economy particularly suited to recovery measures that seek to quickly boost consumer demand and employment; highlights that evidence shows that green and digital projects create more jobs, deliver higher short-term returns per euro spent and lead to increased long-term cost savings in comparison with traditional fiscal stimuli, since they are quick to scale up as the technology is readily available (e.g. renewables), they tend to involve SMEs and foster local economies through strong employment effects, rapidly increasing the disposable income of consumers (e.g. energy efficiency), and they are less exposed to external shocks and will thus contribute to a more resilient social and economic recovery;

30. Notes that, in order to help identify investments with high positive environmental and social impacts, the EU taxonomy, where available, sets the framework for the purposes of establishing the degree to which an investment is environmentally sustainable and ensuring no significant harm is done to environmental and social objectives;

31. Considers that the Union requires an innovative industrial strategy that accelerates the digitalisation of our industries and SMEs including traditional ones, enhances the Union's industrial capacity in critical digital infrastructures and capabilities, and strengthens the digital and data single market; is of the opinion that the Union must support businesses in the automation and digitalisation of their know-how and training and in investing in digital equipment (hardware and software), paying special attention to encouraging women's participation in the digitalisation process and to the modernisation and improvement of training and skilling systems; underlines the importance of the Digital Europe programme and of accelerating the adoption of enabling and emerging technologies in industries; encourages the creation of digital innovation hubs across the EU;

32. Calls on the Commission and the Member States to invest, inter alia, in the data economy, humancentric artificial intelligence, smart production, the Internet of Things (IoT), mobility, supercomputing, software engineering and technology, the cloud, quantum technology, resilient, affordable and secure high-speed 5G and 6G networks, Distributed Ledger Technologies (DLTs), robotics, batteries and satellite internet; therefore invites the Member States and the Commission, in this respect, to ensure a timely implementation of the relevant key measures recommended in the 5G cybersecurity toolbox, and in particular to apply, where appropriate, the relevant restrictions on high-risk suppliers for key assets defined as critical and sensitive in the Union's coordinated risk assessments;

33. Underlines the key role of the digital sector in contributing to the transformation of the industrial sector, both as a source of clean technology solutions and in optimising industrial processes and minimising their environmental impact; given the high consumption of energy and resources connected with ICT, asks the Commission to assess the potential environmental impact of the massive development of digital solutions while ensuring European leadership in highly energy-efficient and circular digital technologies and data centres; calls on the Commission to propose concrete avenues for digital solutions to serve the ecological transition and to establish a methodology for monitoring and quantifying the increasing environmental impact of digital technologies;

34. Underlines that data plays a key role in the transformation of European industries, and stresses the importance of smart manufacturing growth and digitalisation; calls on the Commission to implement a single European digital and data environment and to ensure and promote interoperability, as well as access and flow for secure data and software within the Union and across sectors, in companies of all sizes and among public institutions; furthermore, calls on the Commission to ensure European leadership in setting future-oriented standards and creating future-oriented tools and infrastructures to store and process data and pool European data in key sectors, with Union-wide common and interoperable data spaces; in this respect, calls on the Commission to focus particularly on projects aimed at data management and labelling, data format standardisation and data security, to develop and process data on European soil, in particular data from public bodies, to

build a better digital taxation system in which profits are taxed and where companies have significant interaction with users, and to further develop European standards and certification on cybersecurity, thus ensuring enhanced competitiveness, promoting disruptive technologies, in particular for critical infrastructures, including by revising the Network and Information Security (NIS) directive and by establishing a cybersecurity competence centre network; calls on the Commission, moreover, to ensure a fair platform for business relations that enables enterprises in the EU, especially SMEs, to use data generated on platforms effectively;

35. Recognises the importance of a European approach for the data economy that is transparent, trustworthy, interoperable and human-centric; calls on the Commission and the Member States to progressively reduce fragmentation in the different national strategies and address imbalances in market power, with the aim of supporting a Union-wide flow of data, interoperability, data management, protection and (re)use;

36. Underlines the need for a European legal framework on AI, robotics and related technologies that addresses ethical principles and fundamental rights in their development, deployment and use, as well as safety and liability questions; highlights that the innovation and competitiveness of Europe's industry will require a horizontal framework that reflects the values and principles of the Union, in order to provide concrete guidance and legal certainty to citizens and businesses alike, including those outside the Union;

37. Is of the opinion that any legislative action in the context of a revision of the currently applicable intellectual property rights (IPR) framework must be carefully considered as this could have a significant impact on the still fragile and developing EU data economy; considers that there should be no ownership right based on intellectual property for non-personal data used and produced by technologies such as Artificial Intelligence;

38. Calls on the Commission to include in the recovery plan concrete measures to attract industries to Europe, to increase, strengthen and promote the relocation and the diversification of European industries in terms of their strategic importance and, from a climate neutrality point of view, to shorten and diversify supply chains; in this context, highlights the importance of ensuring that the Union produces enough strategic goods, such as medical and healthcare equipment or renewable energy, to be self-sufficient in times of crisis, and encourages the use of incentives to achieve this, such as the requirement of purchasing a higher degree of local (EU/EEA) production from sectors receiving temporary aid;

39. Acknowledges the risk that the COVID-19 crisis will lead to an increase in economic nationalism and protectionism, posing a major challenge to rules-based free trade and global value chains due to the renationalisation of production and the break-up of those chains; to this end, calls on stakeholders to diversify and shorten their supply chains and make them more sustainable in order to reduce vulnerability;

40. Calls on the Commission, in this regard, to stand up for an open and rules-based multilateral trading system which is consistent with global efforts to halt climate change and biodiversity loss and with the EU's high environmental and social standards, improves access to international markets for EU companies, and prevents strong international actors from abusing their market power; is of the opinion that, in this context, the Union should use competition policy with regard to third-country companies as appropriate, apply trade defence instrument (TDI) measures more assertively so as to systematically tackle unfair dumping and subsidy practices, and strengthen the existing TDI scheme;

41. Calls on the Commission to immediately propose a temporary ban on foreign takeovers of European companies in strategic sectors by state-owned enterprises (SOEs) or companies linked to third-country governments; furthermore calls on the Commission to reflect on reciprocity in market access, to strengthen and scan systematically the Union's screening framework for foreign direct investment (FDI) in order to protect access to strategic industries, infrastructure, key enabling technologies, and other security and cybersecurity assets, as well as to block hostile takeovers in order to safeguard competitiveness and decrease market distortions in the single market; welcomes, in this regard, the White Paper on levelling the playing field as regards foreign subsidies; calls for the substantial strengthening and the swift adoption of Regulation (EU) No 654/2014 (the Enforcement Regulation); stresses that this is an important tool to protect the Union's interests when third countries adopt illegal measures that negatively hit EU businesses;

42. Calls on the Council to continue advancing in the negotiations on the International Procurement Instruments (IPI), which provide for reciprocity and mutual standards; calls on the Commission to propose appropriate legal instruments that address the distortions caused in the single market, including in public procurement procedures; in this context, calls on the Commission to consider giving priority to companies having and maintaining their headquarters, production and employment within the Union; asks the Commission, in the absence of a strong IPI and effective global rules on access to public procurement, to explore the introduction of measures to support European manufacturers, especially SMEs, who are facing an increasing degree of competition from emerging countries which do not comply with common international trade rules and social environmental standards;

43. Is of the opinion that a comprehensive approach to industrial strategy that includes all EU policies can play an important role in economic and 'industrial' diplomacy; encourages the Commission to actively use the network of EU Chambers of Commerce in third countries to create new business partnerships;

44. Welcomes the ambition to create lead markets in environmentally sustainable and digital technologies and innovative solutions; considers funding of research and innovation to be essential for innovative industrial projects and digital capabilities, and believes that this should go hand in hand with the current analysis by the Commission of the guidelines for 'Important Projects of Common European Interest' (IPCEI); is of the opinion that resilience and strategic autonomy should be considered as defining criteria and that IPCEI should comply with the Union's climate neutrality and digital goals; calls on the Commission to increase transparency in the implementation of IPCEIs and to ensure the participation of SMEs; furthermore calls on the Commission to speed up European leaders and/or ecosystems in strategic industrial sectors which are capable of competing on a global scale and will contribute to achieving a climate-neutral economy and digital leadership without creating distortions of competition in the Union or eroding trust in market openness and access;

45. Calls on the Commission to continue the work on value chains by ensuring an adequate follow-up to the actions proposed for the six strategic value chains identified by the Strategic Forum on IPCEI, and to create transparent conditions of application for joint projects of IPCEI that would be uniform in all Member States, in order to ensure that they benefit the Union as a whole; calls on the Commission, in the current crisis, to invest in projects that have clear European added value and to simplify administrative processes, extend the criteria for cost eligibility and increase funding;

46. Considers the NGEU initiative to be the pillar of the first phase of the EU's industrial recovery from COVID-19; calls on the Commission to ensure that the fund is swiftly implemented swiftly, and demands that Parliament be fully involved in the decision-making and implementation process, to ensure democratic accountability and maximise transparency and parliamentary control; demands that, for an effective frontloading of the EUR 750 billion, the NGEU:

(a) foresees targets for social, sustainable and digital investments, with a view to minimising detrimental impacts and maximising benefits in the climate, environment and social dimension;

(b) has a specific focus on SMEs, which have been hit the hardest by the COVID-19 crisis, and supports their access to finance;

(c) is directly managed, where possible, by the Commission in close cooperation with Member States and through European programmes, in order to move forward in a more coordinated way, so as to better impact the global market and maximise transparency and parliamentary control, as well as to avoid internal and external distortion and disruption of the single market;

(d) takes into account the specificities of the Member States, which have been hit by the crisis in diverse ways;

(e) distributes the financial aid among the different industrial ecosystems, including microbusinesses and SMEs, according to the damage suffered, the social impact, the challenges faced and the amount of national financial support already received through national aid schemes, taking into account the structural interdependencies between the different value chains; takes into account the lessons learnt from the previous public support measures in responding to the 2008-2009 economic and financial crisis and its impact on resilience and long-term economic and social recovery; takes into account that the fund must be conditional on criteria that ensure that funding is not used to pay off old debts or sustain outdated technology and that companies which contribute to long-term growth are supported and have

strong potential to revive the economy; takes into account that recovery spending should also be channelled towards high-multiplier, climate- and innovation-friendly sectors that will contribute to the EU's future economic resilience;

(f) supports national fiscal schemes that incentivise private sector equity investment and allow companies to convert part of the loans given by the Fund into equity;

(g) allocates dedicated funding to companies, in particular SMEs, microbusinesses and start-ups, which have business plans and operations involving key innovations, technologies and services, including advancing the digital and green transformation, or whose operations are necessary for the strategic autonomy of the Union in critical sectors, with particular reference to enhanced circularity, resource and energy efficiency and savings and a switch to renewables; helps make our supply chains more resilient and less dependent by reshoring, diversifying and strengthening them, while avoiding discrimination against companies going through an emergency that are in need of being accompanied in their transition;

(h) dedicates funding to large companies having credible plans to transition to a climate-neutral business model;

(i) strengthens the EIB guarantees programme and makes it complementary to national programmes, so that it can function as a valuable addition and strengthen their impact on the ground;

(j) gives preference to companies that commit to transparency, ensure visibility of EU funding, put in place systems encouraging the participation of workers in company matters, and comply with their non-financial reporting obligations;

47. Highlights the need to support a sustainable and fair recovery, ensuring citizens' welfare beyond the COVID-19 crisis; is of the opinion that the Fund should foster the sustainability and competitiveness of European industries, as well as guaranteeing fair and just digital and green industrial transitions;

48. Considers that in parallel with the current crisis, the Union should prepare and anticipate a second phase of its industrial strategy, ensuring the competitiveness, environmental sustainability and digitalisation of its industries and leading to long-term resilience on a socially responsible basis; recalls that the role of the Member States will be crucial for a successful recovery leveraging the EU's limited resources, and that industrial policy should become a horizontal task for the Commission;

49. Is of the opinion that the Union requires an industrial strategy that embraces the protection of environmental health and biodiversity and insists on the need to accelerate the climate-neutral transformation of our industry; emphasises that investments must be compatible with the 2050 climate neutrality goals, since otherwise there is a risk of creating stranded assets and lock-in effects in fossil-based and environmentally harmful technologies;

50. Underlines that a truly effective European Industrial Strategy and the related policy need to be built on ambitious climate action and targets on the basis of the Climate Law, providing a roadmap to shape the industry of the future with all sectors contributing to reach the objective of climate neutrality as early as possible and at the latest by 2050;

51. Stresses the need to align the new Industrial Strategy with the target of a climate-neutral economy by 2050, while at the same time stressing that Europe's climate policies must be evidence-based;

52. Underlines that there is significant potential in domestic and global markets for zero and low emission technologies, renewables, and sustainable products, processes and services, throughout the entire value chain from raw materials to energy-intensive industries, manufacturing and the industrial services sector; considers, moreover, that the Climate Law will greatly contribute to streamlining the efforts towards the achievement of climate neutrality by 2050 at the latest, laying down the 2030 and 2050 climate targets in Union legislation; believes that a more holistic and systematic policy

framework is also required in order to ensure policy coherence across all Union policies as well as long-term investor certainty and regulatory predictability and a coherent, transparent and inclusive governance approach in all policy areas, paving the way towards a clear and predictable strategy for European industries;

53. Welcomes the proposed Industrial Forum; calls on the Commission to move forward with its establishment and to create within this framework a dialogue with a balanced representation of all relevant scientific experts, organisations and stakeholders, including civil society, consumers' organisations and trade unions, to continuously monitor and regularly report on the progress of the individual industrial sectors at EU level towards the climate neutrality objectives to be achieved by 2050 at the latest, and to advise the Commission on the contribution and consistency of investments with the EU environmental and climate objectives, in line with the Governance of the Energy Union regulation;

54. Considers that all sectors should contribute to the achievement of the Union's climate objectives and, in this regard, underlines the importance for the Commission to develop sector-specific strategies setting out the actions needed to reach these objectives and ensuring policy coherence; urges the swift phasing-out of fossil fuels and the need to establish an highly efficient and climate-neutral energy system at globally competitive prices for industries; highlights the role that clean, sustainable and affordable energy and raw materials play in the transition towards highly energy-efficient and climate-neutral economies; stresses the need to ensure that the use of energy sources such as natural gas is only of a transitional nature, considering the objective of achieving climate neutrality by 2050 at the latest; underlines that further integration of the EU energy market will play an important part in enhancing the affordability and security of energy supply; underlines in this regard the need to accelerate the development and integration of renewable capacities in the energy mix and to facilitate the deployment of hydrogen production based on renewables, as a potential breakthrough technology for hard-to-abate sectors; welcomes the launch of a Clean Hydrogen Alliance and a low-carbon industries alliance; stresses the need to accelerate research on large-scale hydrogen and green fuel production, decarbonisation technologies such as infrastructure for carbon capture and storage in industrial processes, bioenergy plants and manufacturing facilities, with a view to the energy transition, also exploring the potential use of geothermal source of energy; reiterates that this requires large-scale availability of affordable and clean energy and supporting infrastructures, in line with the decarbonisation needs of energy-intensive industries;

55. Calls on the EU institutions, the Member States, the regions, industry and all other relevant players to work together to improve European energy efficiency, to create lead markets in climate-relevant technologies and innovations in the Union, and to prioritise investments in energy infrastructures; calls on the Commission to ensure that better use is made of the EIB, as the Union's 'Climate Bank', to enhance sustainable financing to the public and private sectors and to assist companies in the decarbonisation process;

56. Stresses that the large-scale deployment of cost-competitive renewable energy capacities is required in all sectors of the economy; recognises the Union holds 40 % of renewable energy patents globally, and stresses that it should remain a leader in breakthrough renewable technologies; stresses in this respect that the need to develop a robust industrial policy for renewables that encompasses both supply-side and demand-side policies and enables renewable sector integration is critical to ensure Europe's long-term security of energy supply, technology leadership and strategic autonomy; urges the Commission to acknowledge renewable energy technologies as a key Strategic Value Chain and an industrial ecosystem that is eligible for financing from the Strategic Investment Facility, as well as being adequately represented in the upcoming Industrial Forum; stresses the need to prepare support measures for the development of renewable energy technologies in Europe and to ensure a level playing field for Union and extra-Union manufacturers;

57. Highlights that if European industry is to be competitive it has to be backed by an efficient, sustainable and fully interconnected transport, digital and energy infrastructure network; calls for a long-term investment policy for equipping and renovating infrastructure and for reducing the administrative barriers which hinder the rapid development of the trans-European networks; calls for more funding for the Connecting Europe Facility in its three sectors, in order to boost investment in infrastructures, interconnections, digitalisation and smart grids, compatible with the European Green Deal goals; furthermore stresses the need to expedite Projects of Common Interest (PCI), and to revise the Trans-European Energy Networks (TEN-E) Regulation as soon as possible;

58. Highlights the potential of the circular and zero-pollution economy in modernising the Union's economy, reducing its energy and resource consumption, prioritising waste prevention, providing incentives for innovation, and transforming whole industrial sectors and their value chains, products, production processes and business models, thereby fostering the dematerialisation and detoxification of the Union's economy and making Europe less dependent on primary materials while incentivising innovation, including the creation of markets for zero, low-carbon and renewable solutions substituting fossil-fuel based products and materials, and the development of new eco-designed technologies and solutions to prevent environmental impacts; highlights the strong synergies between climate action and the circular economy, in particular in energy- and resource-intensive and renovation industries, and stresses that sectors have different decarbonisation paths and starting points; underlines the potential of the circular bioeconomy and forest-based industry in promoting a competitive and sustainable industry;

59. Recalls that the European climate and energy policy will require high volumes of metals and minerals for its strategic technologies; expresses concern that Europe is highly reliant on other areas of world for its supply of many of these metals and minerals, and is gradually losing its global share even for the materials where it does have industrial capacity; stresses that Europe's autonomy in strategic sectors cannot be achieved without a competitive and sustainable EU ecosystem for base, precious and critical materials from primary and secondary sources; underlines in this respect the significance of the Circular Economy Action Plan, but stresses that Europe needs to boost its capacity for all stages of the raw materials value chain, namely mining, recycling, and smelting, refining and transformation; is of the opinion that the scope of the Critical Raw Materials Action Plan and Alliance should not be limited to critical raw materials and should be aimed at the development of an integrated ecosystem for the whole range of materials, metals, and minerals required for industrial transition;

60. Calls on the Commission to develop a European export and import strategy for renewable and resource- and energy-efficient technologies;

61. Underlines the potential of sector coupling and interconnecting energy-consuming sectors such as buildings and transport, and welcomes in this respect the Commission communication on energy system integration;

62. Calls for a substantial funding stream for energy renovations of buildings to foster the planned 'renovation wave' initiative through the necessary financial means under the Recovery Plan; stresses that in the context of the upcoming proposal on the 'renovation wave' and Member States' obligation to set out long-term strategies to achieve a highly energy-efficient and decarbonised building stock, the 'energy efficiency first' principle should be fully prioritised and should thereby accelerate deep renovations and the replacement of inefficient heating and cooling systems based on fossil fuels; underlines that integrated deep renovation programmes covering entire municipalities or districts can be deployed at a lower cost and at higher speed, benefiting consumers and reducing energy costs;

63. Points out the fact that process heating and cooling remain among the most significant uses of energy in the industrial sector; therefore underlines that to accelerate the reduction effort regarding greenhouse gas (GHG) emissions in industry, the energy efficiency potential of industrial heating and cooling needs to be fully tapped, with increased use of renewables based on electrification, heat-pumps, better use of industrial clusters, and symbioses offering significant reduction potential in many sectors;

64. Highlights the potential of Green Mobility to create new jobs, boost European industry, and support investments aimed at expanding sustainable transport infrastructure which would make it possible to achieve a multiplier effect through placing orders addressed to a wide spectrum of entities — contractors, subcontractors, suppliers and their subcontractors — and reduce emissions from the transport sector; underlines the need to accelerate the implementation of the European Battery Alliance, in order to unlock the potential of its strategic value chain, increase the possibilities for innovative locally produced batteries and the recycling of metal in Europe, create Union added value, contributing to the competitiveness of the Union's automotive industry, and facilitate the transition to a decarbonised electrical system; calls for more investment in high-speed trains and the renovation of inter-city rail networks, as well as in zero and low- emission public transport; stresses the need to promote Green Mobility by investing in better infrastructure such as more widespread charging stations; is of the opinion that a higher density of charging stations will allow the market for electric vehicles (EVs) to expand

significantly and faster, having a positive impact on our environmental and carbon footprint; calls, therefore, on the Commission to submit a large-scale strategy for the rollout of fast EV-charging infrastructure in order to secure uptake of EVs by consumers, giving them certainty as regards the technology's potential and access to a close-knit network of compatible charging infrastructures, and to support European-based car manufacturing;

65. Believes that for a successful energy transition, Europe will need a significant amount of affordable zero/low carbon and renewable energy, also originating from third countries and using support infrastructures; calls for strategic initiatives inside the EU and for energy policy to become a focus of the Union's foreign and neighbourhood policy, including financial support for renewable-based hydrogen and green power alliances; is of the opinion that those alliances should also be part of trade agreements; stresses the importance of strong alliances to address the scarcity and sustainable sourcing of resources and raw materials;

66. Recalls the 2019 EU Masterplan for a competitive transformation of energy-intensive industries which manages the transition while keeping European industries competitive, and calls on the Commission to implement its recommendation to help replace imports from third countries not sufficiently meeting environmental standards and incentivise higher levels of climate ambition from the EU's global trading partners;

67. Calls for a revision of the EU emissions trading scheme (ETS) in line with the climate targets and a Carbon Border Adjustment Mechanism (CBAM) to contribute to a smart reshoring of manufacturing and shorter value chains; highlights the potentially important role of a CBAM in avoiding carbon leakage;

68. Points out that over half of global GDP depends on nature and the services it provides, with several sectors highly reliant on nature; notes that more than 90 % of biodiversity loss and water stress come from resource extraction and processing; emphasises that the European industrial policy should be in line with the objectives of the 2030 Biodiversity strategy;

69. Stresses that on the basis of the One Health approach the preservation of natural ecosystems is fundamental for ensuring humanity's bare necessities such as potable water, clean air and fertile soils; calls for the swift development of robust indicators to assess the impacts on biodiversity and to ensure the progressive reduction of pollution as outlined in the EU Biodiversity Strategy;

70. Points out that industry is still a major contributor to environmental pollution with releases of pollutants to air, water and soil; underlines the role of the Industrial Emissions Directive in setting up obligations for large installations to minimise releases of pollutants; looks forward to the upcoming zero pollution action plan for air, water and soil and the revision of the Industrial Emissions Directive, which should lead to a significant reduction of industrial pollution;

71. Stresses the importance of the regional dimension of industrial policy, since economic disparities between regions are persistent and risk becoming deeper with the impact of the coronavirus crisis; stresses that in order to prevent and mitigate the decline of regions, regional redevelopment plans have to make progress on sustainable transformation strategies and combine economic revitalisation programmes with active labour market programmes; calls on the Commission to work closely with the Member States in order to draw up medium- and long-term forecasts regarding the skills required by the employment market;

72. Highlights, in this context, the importance of the European Structural and Investment Funds (ESIFs) in supporting quality job creation with decent wages, business competitiveness, sustainable economic development, and the modernisation and improvement of education and training and healthcare systems;

73. Highlights the need to support a fair, inclusive and just transition and the need to address social and economic inequalities beyond reskilling and creating new jobs in new economic sectors, so as to ensure that no one is left behind and that no worker is excluded from the job market; believes that a well-designed Just Transition Mechanism (JTM), including a Just Transition Fund, will be an important tool for facilitating the twin transition and reaching ambitious climate neutrality targets; insists that to guarantee a more inclusive transition and address its social impact, all local stakeholders, including civil society and community representatives, should be included in the design and implementation phase of the

territorial Just Transition Plans; underlines that sustainable technology investments have a key role to play in this regard by supporting the long-term economic development of regional economies; stresses that robust financing of the JTM, including through significant additional budgetary resources, would be a key element for the successful implementation of the European Green Deal;

74. Believes that interregional cooperation aimed at sustainable and digital transformation, as in the Smart Specialisation strategies, needs to be strengthened in order to stimulate regional ecosystems; therefore asks the Commission to support the development of tools which can provide a clear roadmap for regions with a tailor-made approach to secure industrial leadership;

75. Considers that industrial transformation requires a significant boost in research and development efforts and the integration of new knowledge and innovation into existing markets, as well as their use in the creation of new ones; underlines that innovation is one of the engines of leading industrial ecosystems and that this should be reflected in strengthened support for innovation and entrepreneurship capacity at every stage of the innovation cycle; underlines the need to increase spending on research, in particular high-quality public research and development and innovation as key elements to achieve the twin transitions, improve the Union's strategic autonomy and increase long-term competitiveness; in this regard, calls on the Member States to uphold their commitment to invest 3 % of their GDP in research and development, in order to maintain the Union's leading role among global competitors; regrets the current lack of innovative capacity in SMEs due to a shortfall in the necessary risk capital, the costs and complexities of administrative procedures, and a shortage of adequate skills and lack of access to information;

76. Underlines the need to increase the budget for programmes underpinning the Union's industrial transformation, and recalls, therefore, Parliament's position in favour of increasing the budget for Horizon Europe to EUR 120 billion and ensuring the programme's consistency with the Union's climate neutrality targets, and supporting InvestEU and Digital Europe through appropriate funding instruments for the market development of breakthrough technologies and innovations, also fostering synergies between regional, national, European and private financial sources; calls for effective support for the European Innovation Council (EIC) and the European Institute for Innovation and Technology (EIT) and for the strengthening of their missions; insists that a substantial share of the funds available for SMEs under Horizon Europe should be implemented through the EIC and the collaborative parts of the programme, with the aim of creating new solutions and fostering innovation, both incremental and disruptive; supports the establishment of European partnerships under Horizon Europe to leverage private-sector investment to promote the transfer of knowledge, technologies and innovation from research centres and universities to the industrial process, taking advantage of the industrial ecosystems scheme and in order to support the recovery and green and digital transition; calls on the Commission, in addition, to ensure that these partnerships will be transparent and inclusive throughout their implementation, in particular as regards their strategic research agenda and annual work programmes; stresses that they should also exclude all conflicts of interest and should guarantee true added value for society;

77. Believes further, in this regard, that a better-prepared and more resilient society is key in dealing with disruptive events on a European or global scale and giving comprehensive policy responses, and that coordinated R&D investments are key in this respect; to this end, calls on the Commission to support creating a dedicated instrument for Pandemic Preparedness and Societal Resilience, since this measure would create the conditions for better coordination at EU level, identify priority areas, and launch actions that require high-quality medical research and coordinated R&I investments;

78. Highlights the importance of a research-based pharmaceutical industry as an essential contributor to safeguarding quality manufacturing and supply of affordable medicines to reach all patients in need, strengthening the Union's innovation, resilience, accessibility and responsiveness and helping address future challenges; reiterates the need to put in place a medicine shortage risk mitigation plan to manage any vulnerabilities and risks for the supply chain for critical medicines, ensure future innovation to address outstanding unmet needs, and support the resilience, responsiveness and readiness of healthcare systems to address future challenges including pandemics;

79. Underlines the role of key enabling technologies in building technological and innovative capacities throughout the Union; calls on the Commission to tailor Horizon Europe and its industrial strategy to the development, scaling-up and commercialisation of breakthrough technologies and innovations in the Union so as to bridge the gap between innovation and market deployment, by providing risk financing for early-stage technology and demonstration projects and developing

early value chains in order to support in the first place commercial-scale, market-uptake, zero and low-emissions, renewable, energy- and resource-efficient and circular technologies and products, processes, services and business models, as well as supporting the development of research infrastructure, also with the aim of reducing the existing gaps between Member States; encourages the Commission and the Member States to develop one-stop shops with streamlined information on financing possibilities for industrial demonstration projects for breakthrough technologies;

80. Calls on the Commission to examine measures to counter the potential loss of knowledge and innovation during the current crisis, including through instruments to support companies temporarily sharing knowledge workers with public research institutions and universities so as to enable public-private research on public priorities, and to preserve employment and innovation capacity in times of crisis;

81. Calls on the Commission to develop, together with Member States, potential tax incentives to boost R&D investments, which have decreased heavily due to the COVID-19 crisis;

82. Calls on the Commission to continue supporting the ability of European companies to innovate on the basis of a comprehensive intellectual property (IP) regime, enhancing flexibility in licensing, so as to maintain effective protection for their R&D investments, to secure fair returns and, at the same time, to continue developing open technology standards that support competition and choice as well as the participation of EU industry in the development of key technologies;

83. Acknowledges that a strong and balanced framework of IP rights is a crucial factor underpinning European competitiveness, with a view to combating industrial espionage and counterfeiting, and therefore calls on the Commission to preserve and strengthen this framework; stresses the need to ensure parity with the US and China in life-science IP incentives in order for Europe to remain an attractive location for R&D investment and industrial development; calls on the Commission to maintain and develop Europe's world-class IP system by promoting strong IP protection, incentives and reward mechanisms for R&D to attract investment in the development of future innovation for the benefit of society; welcomes the announcement of an Intellectual Property Action Plan that could facilitate a European contribution to standards development; supports sustainable production and jobs and improving the attractiveness and reputation of EU high-quality production worldwide; invites the Commission to encourage the transfer of crucial environmental and climate technologies to developing countries by granting open licenses for such technologies;

84. Calls on the Commission to implement as soon as possible the European Unitary Patent, as provided for by the agreement on a unified patent jurisdiction of 19 February 2013;

85. Underlines the importance of a comprehensive and effective overall governance for the industrial transformation that ensures consistency with the relevant EU legislation and strategies, in particular the objectives of the European Green Deal, which is crucial to its success; welcomes the identification of 14 ecosystems by the Commission and the inclusive approach of bringing together all actors operating in a value chain, in order to promote European leadership in strategic sectors and competitiveness on the global stage; underlines the need to ensure that SMEs will thrive within each ecosystem; points out the need for ensuring transparency in the industrial ecosystems identified, in particular as regards the criteria that need to be met for being considered part of an ecosystem, the exact breakdown per type of actor in each identified ecosystem, and information on outcomes and topics discussed, recalling also the role of the Industrial Forum and the Alliances in relation to these ecosystems; stresses that civil society, consumer organisations and trade unions should have adequate participation in the definition of both the overarching and the sectoral industrial strategies and priorities; stresses that ecosystems should include all links to the value chains, including SMEs, and emphasises that SMEs play an integral part in the creation of industry alliances and their production chains; highlights the need for adequate financial instruments for the alliances;

86. Is of the opinion that ecosystems will be key components of the next industrial revolution, leveraging advanced and smart manufacturing and providing affordable, clean, sustainable and secure energy, as well as the necessary energy infrastructure, transformative manufacturing and service provision methods; calls for an analysis of the ecosystems to assess the needs of each sector for its transition and to help establish a transition plan; believes, moreover, that supporting collaboration among industry, academia, SMEs, start-ups and scale-ups, trade unions, civil society, end-user organisations

and all other stakeholders will be key to solving market failures and bridging the gap between the idea and its realisation while ensuring the protection of workers, including in areas not yet covered by industrial interests but with high societal added value; calls for a governance of these ecosystems that integrates all relevant stakeholders from the industrial sectors which are key to achieving the green and digital transition; is of the opinion that ecosystems should play a role in the definition of solutions and measures to be adopted in order to implement the European industrial strategy and to support robust European value chains that are crucial for the twin green and digital transitions;

87. Highlights that investment in key value chains will play a crucial role towards preserving our future strategic autonomy; believes that it is necessary to prioritise investment in industrial sectors that are of vital importance to our strategic autonomy, such as security, defence, climate-relevant technologies, food sovereignty and health; reiterates, in particular, the importance of the pharmaceutical industry in ensuring future innovation to address outstanding unmet needs, and in supporting the resilience, responsiveness and readiness of healthcare systems to address future challenges including pandemics;

88. Underlines the importance of the renewable energy industry as a strategic sector in order to strengthen the competitive advantage of the EU, achieve long-term resilience and ensure energy security, while enhancing industrial strength; furthermore, highlights the contribution of the renewables sector to the creation of new local jobs and business opportunities, in particular for SMEs, and to boosting the manufacturing of equipment, as well as to reducing energy costs and improving cost competitiveness;

89. Highlights that the automotive sector has been greatly affected by the COVID-19 crisis, forcing companies and workers to adapt quickly to the changes in supply and to new health and safety requirements, in addition to the transformation process that the sector was already undergoing before the pandemic; is of the opinion that the transition to smart and cleaner mobility is essential as we evolve towards a climate-neutral, digital and more resilient economy, and that this should also be considered as an opportunity to generate green growth and clean jobs based on the global competitive advantage of European industry in vehicle technologies; calls on the Commission to set priorities related to research and innovation, digitalisation and support for start-ups and micro, small and medium-sized enterprises, including in the automotive sector;

90. Stresses that the tourism sector has also been highly affected by the COVID-19 crisis, and calls on the Commission to set priorities related to helping and promoting the recovery of the sector, considering its contribution to EU GDP and the Union's competitiveness; invites the Commission to promote cooperation between Member States and regions to create possibilities for new investments and further innovations, in order to achieve a European tourism ecosystem that is sustainable, innovative and resilient and protects the rights of workers and consumers;

91. Highlights the potential of the cultural and creative sectors in driving innovation, acting as catalysts for change in other sectors and stimulating invention and progress; notes that innovative economic sectors increasingly depend on creativity to maintain their competitive advantage; notes, moreover, that with the emergence of progressively more complex, creative and intertwined business models, the cultural and creative sectors are increasingly becoming a decisive component of almost every product and service; therefore believes that Europe should build on its creative and cultural assets, and calls on the Commission and the Member States to pay sufficient attention to the cultural and creative sectors in the development of a comprehensive, coherent and long-term industrial policy framework, including access to finance and funding programmes;

92. Highlights the importance of Union space policy, especially in terms of improving European industrial space capacities and unlocking the potential of synergies with other key sectors and policies, in particular so as to develop cutting-edge technologies and accompany the industrial transformation;

93. Notes the contribution of the chemicals industry to many strategic value chains and to producing carbon-neutral, resource-efficient and circular technologies and solutions; calls for a sustainable chemicals policy, aligned with the Industrial Strategy;

94. Calls on the European Environment Agency to produce a report, together with the European Chemicals Agency, on chemicals in the environment in Europe; believes this report should assess the systemic character of hazardous chemicals within Europe's production and consumption systems, their use in products and occurrence in Europe's environment, and the harm caused to human health and ecosystems;

95. Underlines the centrality of a well-functioning and competitive pharmaceutical and medical devices sector to ensuring sustainable access to medicines for patients and guaranteeing a high level of healthcare for EU patients; believes the Commission should facilitate the dialogue with the Member States and all the relevant stakeholders by creating a pharmaceutical forum, supervised by the European Medical Agency (EMA), in order to enable a comprehensive discussion on issues concerning, inter alia, pharmaceutical sustainability and the introduction of new technologies into health systems; stresses that this forum should take into account the different national approaches to pricing and reimbursement, as well as healthcare investment and organisation;

96. Considers public procurement to be a crucial driver of industrial transformation; calls on the Commission to study how to fully use the leverage of public expenditure and investments to achieve policy objectives, including by strengthening sustainability and making public procurement central to the Union's economic recovery plan by prioritising and fostering demand for eco-innovative, cost-effective and sustainable goods and services, as well as by enabling relocation in key strategic sectors, such as health-related products, agriculture and renewable technologies, fostering shorter and more sustainable supply chains; calls on the Commission and the public authorities to analyse the conditions for making mandatory in public procurement sustainability based on environmental, social and ethical criteria, including carbon footprint, recycling content and working conditions throughout the whole life-cycle, as well as to increase awareness and make better use of the existing schemes for promoting green services; insists that SMEs should have a fair chance to participate in public procurement; calls on contracting authorities to systematically use an approach based on the best price-quality ratio over the lifetime of products and services; encourages them to use the provision (Article 85 of the Utilities Directive) which enables them to reject bids where the proportion of the products originating in third countries exceeds 50 % of the total value of the products constituting the tender;

97. Acknowledges the contribution of standardisation to the single European market and to increased economic, societal and environmental welfare, including the health and safety of consumers and workers; underlines the need to develop, assess and use harmonised standards to support industries manufacturing products in ways that are efficient, safe, circular, sustainable and repeatable and ensure high quality;

98. Calls on the Commission to adopt a strong Key Performance Indicator (KPI) system to analyse the ex-ante impact of Union regulations and instruments and possible investments needed, and to monitor progress and results taking into account the SME dimension; underlines that the KPI system should be based on objectives that are specific, measurable, achievable, relevant and time-oriented;

99. Calls on the Commission to strengthen its impact assessment practise and ensure that, before presenting new proposals for legislation or adopting new measures, it carries out a detailed impact assessment of the potential compliance costs, the impact on employment, and the burdens and potential benefits for European citizens, sectors, and companies, including SMEs; believes that the evaluation of Union legislation and measures should have a stronger focus on implementation in the Member States and should analyse what happens when Union legislation is implemented and interpreted in a way that creates unnecessary and unexpected regulatory hurdles for SMEs and larger companies alike; invites the Commission to support regulatory coherence and to acknowledge a smart regulation drive designed to reduce bureaucratic burdens without undermining the effectiveness of legislation or lowering social and environmental standards, especially when traditional industry has to adapt because of regulatory decisions; believes that measures for digitalisation and decarbonisation should be designed in such a way as to present opportunities for companies, including SMEs, and minimise the burden on the affected sector;

100. Expects the industrial strategy not to create unnecessary regulatory burdens for companies, especially SMEs, and to apply the one-in-one-out rule aiming at identifying, whenever new provisions introduce compliance costs, existing provisions that need to be repealed or revised, thereby ensuring that compliance costs in a given sector do not increase, without prejudice to the co-legislator prerogatives; considers that such a proposal must be evidence-based, be widely consulted on, ensure the effectiveness of legislation and of social and environmental standards, and show the clear benefits of European action; believes that the EU needs to reinforce its principles of 'big on big things, small on small things', in order to better ensure proportionality;

101. Stresses that the public administration should play a key role in ensuring a business-friendly economic environment and reducing the administrative burden on enterprises while ensuring full application of the Union's ethical, social, environmental and transparency standards and rules on 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; calls on the Commission to ensure the exchange of national and regional best practices in the field, with specific reference to the public management of economic competitiveness;

102. Instructs its President to forward this resolution to the Council and the Commission.