



Fostering innovation-led transformations in industry and society

The Europe's new Industrial Strategy should lead the EU in digital and climate transformation to reach the targets of the Green Deal and the competitiveness and leadership of European industry. The strategy should find the synergies and maximise the impact of relevant policies such as research and innovation, single market, climate, energy and trade and employment.

In developing the industrial strategy there are three overarching strategic imperatives for the EU:

1. Turn global challenges, including climate neutrality and societal challenges, into drivers of prosperity;
2. Embrace the innovation-led transformation of European industry;
3. Enable EU industry's long-term global leadership.

Technology Industries of Finland believes that the coordinated approach to the EU Industrial Strategy should focus on the following key elements:

- **Boosting public and private investments:** The EU must focus its action and budget to innovation with impact, financing R&I networks with strong industry participation. The investments should be targeted at trailblazer networks, strategic value chains, emerging technologies and top-level research, and cover the whole innovation cycle. The EU needs to increase overall funding on research and development from 2% to 3% of EU GDP, and the share of the EU budget spending on digital transformation from the current 3 % to 10 %.
- **A well-functioning and deeper Digital Single Market:** An appropriate and safe framework and infrastructure for access, sharing and use of data is a prerequisite for all sectors of the economy becoming digital. Free movement of the data must be mainstreamed and made a core-value of the EU. There are solid examples of existing initiatives on industrial data sharing on which to build. Cross-sector data-sharing is the key to new business models.
- **Make Europe and European Industry a trendsetter in the transition to carbon neutrality:** The EU should set herself a legally binding objective of reaching a carbon-neutral society by 2050. EU pathways to low-carbon or even zero-emission energy production and industrial processes should proceed concurrently in all Member States thus levelling the playing field. European electricity production and markets must be transformed into emission free, smart and flexible. Since the climate change is a global challenge, the EU should aim global carbon pricing with mechanisms fully compatible with WTO rules.
- **Foster co-operation and leadership through Strategic Value Chains (SVCs):** SVC should be based on a strong European competitiveness rationale, be able to generate economic value beyond the value chain and contribute to the objective of technological leadership. The loopholes must be fixed. For example, autonomous vehicles must not



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exclude maritime, which is a great provider to free movement of goods in the EU and needs steps to more sustainable future.

- **Skilled labour and mobility are key factors for sustainable growth:** Europe must be the winner in the global competition for talent, and this requires concerted action from the EU and the Member States. Roughly hundred million employees will need upskilling and re-skilling in the near future calling for more strategic approach to continuous learning by industry, individuals themselves, educational institutes and governments.
- **A strong global outlook:** The EU must use its economic power boldly to ensure fair competition and level playing field in all global markets and to strive to ensure a reciprocity of market access for EU companies through trade and investment agreements. Partnerships with African countries must become a strategic goal for the EU.
- **A forward-looking and flexible governance framework needed to deliver the industry strategy on ground:** Making the ambitious vision and objectives reality requires commitments and partnership between the EU industry, the EU, the Member States and other key stakeholders. To facilitate the identification of opportunities and to strengthen strategic collaboration, alliances involving industry, the Commission and the Member States should be established in key areas. The Commission can speed up the process by targeting resources also at the development and orchestration of ambitious, industry-driven value-networks. It is essential that the Commission ensures a continuous follow-up of the implementation of the new EU industrial strategy, its outcome and impact.



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