**Competitiveness Council of 29 September 2016**

**Belgian request for an AOB-point:**

**Information from the Belgian delegation on the development of**

**an ambitious EU industrial policy**

* The Belgian delegation has since long supported the idea of reviving an ambitious agenda regarding EU industrial policy, in the framework of a policy of economic revival and European competitiveness. On this issue, we have developed a concept paper (May 2013) which lead to a joint letter by 10 Member States to the President of the Council in the run up to the March 2014 European Council.
* The March 2014 European Council discussed the communication of the Commission “For a European Industrial Renaissance”. The European Council invited the Commission to present a roadmap for taking work forward. The new Commission has not fully taken on board this priority, even though efforts have been made since to reinforce the “mainstreaming of industrial policy”. This approach, however, should not exclude taking into account the specificities of certain sectors.
* Nonetheless, it must be noted that the European efforts in this domain remain insufficient. This is evidenced by the recent crisis in the steel industry, which gave rise to an extraordinary Competitiveness Council in November 2015, and the recently announced restructurings of large international enterprises in several European countries. The success of EU Industrial Policy should not be judged on the preservation of certain sectors or activities, but we cannot deny that the manufacturing industry has not yet overcome the 2008 crisis. Investments are not recovering from the downfall caused by the 2008 crisis, in particular in the energy-intensive industries. The result is an output under the level from before the crisis and a negative impacts on employment. Beyond those sectors, entire value chains, including subcontractors and SMEs, are affected indirectly. These developments put our competitiveness, the employment and our social model at risk.
* Europe cannot limit itself to adopt reactive attitudes in this context, but has to develop a common ambitious agenda, enabling an industrial transition and establishing the basis of our future competitiveness. The Commission must urgently make concrete proposals in the diverse initiatives taken in the framework of the high-level group on the energy-intensive industries, in the sector of innovation and raw materials. In addition, we need to think how to stimulate the emergence of new value chains and networks so that industrial enterprises produce more diversified and higher added value products so that they become, as suppliers, less dependent on one or more large clients. These new value chains can renew our industrial tissue an ensure the development of industry-related services.
* In view of the primary role of SMEs in the renewing of our industrial tissue, given their high innovation capacity and capability to create growth and jobs, it is fundamental to ensure the right framework conditions for their development by applying the Think Small First principle and stimulating linkages with large enterprises.
* It is therefore urgent to revive the debate on an ambitious European industrial policy, focused on the key value chains for the EU, and ranging all of the relevant means of action.
* This reflexion has to be embedded in the context of a globalising economy, and has to take into account the fundamental challenges regarding external competition.
* The Competitiveness Council has a central role to play in this matter. Starting from the European Council Conclusions of March 2014, we make a call to revive the reflections on the development of an ambitious and proactive roadmap on the European industrial policy.