

# Elements for a sustainable industrial policy

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ENTR B.1 - Sustainable Industrial Policy



**European Commission**  
Enterprise and Industry

# INDUSTRIAL ACTIVITY CREATES WEALTH AND JOBS... ...BUT ALSO HAS UNDESIRABLE EFFECTS



**Climate change**

**Pollution of  
air, water, soil**

**Resource use**

**Traffic congestion**

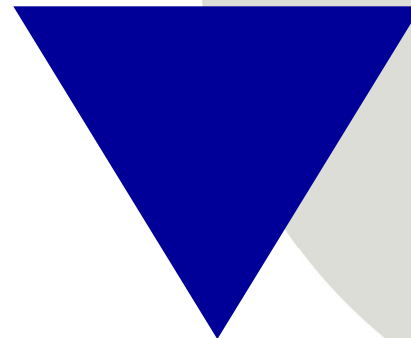
**Waste**

# The Challenge...



ENVIRONMENT

COMPETITIVENESS



SOCIAL



- Example: EU's CO2 reduction targets
  - -20-30% by 2020
  - -60-80% by 2050
- Key CO2 sources: fuels in industry, electricity production, transport, home heating



- Some sectors are particularly vulnerable
- These sectors represent 80%-90% of CO2 emissions, direct and indirect, of manufacturing industry – excluding electricity sector.
- These industries demand special measures

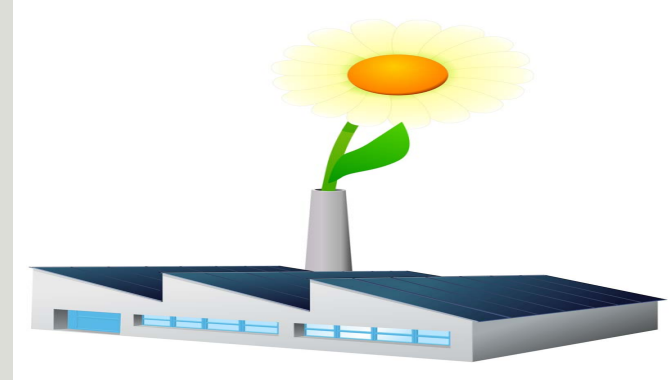
**But... Can Europe combine ambitious (unilateral) climate change objectives with strong industrial competitiveness...**

**When global action is not yet certain ...**



- Copenhagen falls short of ambitions
- Developed versus developing countries
- Levelling of the playing field; sectoral action?
- Engage industry in implementation

# The EU's response - Action Plan on sustainable industrial policy...



## Three main blocks

- **Contributing to a global low carbon and sustainable economy:** the issue of energy intensive industries (European Emission Trading Scheme)
- **An industrial policy for eco-industries:** examining the framework conditions for solution providers =>unleash the green potential of industry
- **The consumer perspective : Energy related products .** A dynamic life cycle approach to product policy using Ecodesign requirements, labelling, public procurement and other incentives. Industry manufactures products , but is also a consumer

## Examples of ongoing initiatives...



- The Lead Market Initiative is the European policy for 6 important sectors that are supported by actions to lower barriers to bring new products or services onto the market. The European Commission, Member States and industry work together to carry out the action plans for the 6 Lead Markets.
- The policy instruments deal with **regulation, public procurement, standardisation** and supporting activities. The LMI identified the following markets: eHealth, Protective textiles, Sustainable construction, Recycling, Bio-based products and Renewable energies.

## Looking ahead: “Europe 2020” as an overarching Policy Framework... 3 interlinked priorities



1.) **Smart growth**: developing an economy based on knowledge and innovation



2.) **Sustainable growth**: promoting a more efficient, greener and more competitive economy



3.) **Inclusive growth**: fostering a high-employment economy delivering social and territorial cohesion

# Flagship initiative :Industrial policy for the globalisation era

At EU level, the Commission will work to establish an industrial policy :

...supporting the transition of manufacturing sectors to greater energy and resource efficiency

...reducing the transaction costs of doing business in Europe, promoting clusters and improving affordable access to finance

...promoting technologies and production methods that reduce natural resource use

...improving access to the Single Market and the international market beyond

...supporting the transition of service and manufacturing sectors to greater resource efficiency, including more effective recycling

...to improve the way in which European standard setting works to leverage European and international standards for the long-term competitiveness of European industry



# Outlook on a future policy development...

- Need to grow our **entire economy** in a sustainable way
- **Sustainable growth** is not the exclusive domain of certain sectors, but represents **a re-orientation of the entire economic model** where smart, eco-innovation becomes the key for providing growth and high-employment, whilst simultaneously delivering environmental goals
- **Greening supply chain** – crucial links with upstream & downstream industries
- The policies and actions being developed , with due reflection on managing transition.
- Many actions are rolled out by **Member States and regions** to help their environmental industries also need to be analysed e.g. Regional Policy Conf

# Thank you for your attention

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