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BUSINESSEUROPE VIEWS ON INDUSTRIAL ECOSYSTEMS

General expectations and governance

In general terms, we expect the forthcoming update of the European industrial strategy to:

1. recall the concept that businesses already form natural ecosystems through common interest, span cross-sector and also involve public authorities, RTOs and academia, and clarify the role of horizontal industries, for example advanced manufacturing, and the definition of strategic value chains;
2. clarify the selection process and the scope of each ecosystem identified and include a detailed description of each of them. This should be done in coordination with Member States. In this regard, the European Commission should produce (or invite Member States to produce) official statistics that are consistent with the new policy approach. To overcome a sector-based, and hence too much siloed, approach and have the possibility to conduct ex-ante and ex-post policy assessments, statistical analysis tools are key. It is crucial to have integrated and regularly updated input-output tables between EU countries, provided with a greater level of detail in the sectors definition (currently, we do not go beyond the two NACE digits and many value chains fall under the same sector definition, e.g. transport or electronics. Moreover, the limitations of NACE classification should be beard in mind, for example in the process of clearly identifying subsectors);
3. make sure the ecosystems approach does not lead to a narrow focus on targeted measures to a selected number of sectors (this must not be about “picking winners”). Identify structural challenges and framework conditions that can be strengthened on a systemic level, rather than channelling investments into politically identified sectors and technologies which may distort competition on the EU Single Market to the detriment of micro, small and medium-sized enterprises that are vital to natural industrial ecosystems, and, thus, European competitiveness;
4. clarify the role stakeholders can play in industrial ecosystems and, in particular, how the dialogue on the overall approach will be structure around the key project pipelines that will allow the different industrial ecosystems to not only recover from the COVID-19 crisis but especially accelerate investments into green, digital and resilient transformation needs on a longer-term basis. In general, policies need to have a clearer bottom-up approach and focus on regulatory aspects where the EU can play a role. Wide involvement of all relevant stakeholders is crucial, and their consultation should as much as necessary go beyond the Industrial Forum. If specific initiatives based on ecosystems are to be launched, it is important they build on existing ecosystems, do not interfere with these or the development of new ones, and are targeted at enhancing cross-sectoral cooperation;



5. leave room for both revising how ecosystems are defined and used, but also to which sectors are examined, so that the tool is not overly selective. The current selection of 14 ecosystems does not necessarily capture the entire business community and should be considered as one of many ways to describe business. The current division should at some point be re-assessed;
6. emphasise openness approach as essential to achieve Europe's open strategic autonomy. Deeper integration with close economic partners, particularly non-EU European countries that enjoy a high degree of economic integration with the EU, such as the UK, Switzerland, Norway, Iceland and Turkey would facilitate smooth functioning of supply chains and would therefore support the strengthening of resilience of the industrial ecosystems;
7. look at industrial ecosystems in close connection with smart specialisation strategies, either national and regional, and operate on the basis of an integrated approach ensuring that all future initiatives aim at the main EU strategic objectives, e.g. accelerate investments into green, digital and resilient transformation needs. Industrial ecosystems should be developed in coherence with the smart specialisation areas. This is important to avoid confusion in the relevant institutions and public authorities at national level and in the companies themselves.

For the ongoing work and future developments on industrial ecosystems the Commission should consider holding **official consultations**. This is particularly relevant when it is about the design of the specific toolbox and when specific initiatives, actions or tools are prepared.

Building **new industrial alliances** is also a way to achieve key EU policy objectives and to support several industrial ecosystems. It is important industrial alliances remain open and operate in a transparent manner.

Specifically on the **Industrial Forum**, which work will be focusing on industrial ecosystems, it should:

- operate on the basis of the principles of transparency and political accountability;
- represent a real sounding board for the Commission's work;
- identify societal challenges relevant to many ecosystems and to the twin transitions, e.g. including transversal areas such as energy supply, digitalisation, advanced manufacturing, etc.;
- make sure the SME angle is duly taken into account as they are a crucial element of industrial ecosystems and global value chains;
- involve its members by providing sufficient consultation time, clear guidance and clarity on the objectives to achieve;
- consider the creation of "taskforces" for each ecosystem with cross-sectoral and interdisciplinary representation. These taskforces could be connected and report to the Forum, should be horizontal and include others not represented within the 14 ecosystems;
- consider monitoring progress on the digital and green transition in each ecosystem through long-term KPIs for the implementation of the industrial strategy.

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