



Press Release

EUROPE'S INDUSTRIAL LEADERS CALL FOR URGENT ACTION AS NEW REPORT SHOWS EUROPE FALLING BEHIND GLOBALLY

**Industry leaders unite to call for Europe to lead on global challenges
Urgent action needed on competitiveness, climate change, digitisation and trade
Leaders want to work with new EU leadership to deliver for citizens**

BRUSSELS, 09 December 2019 – The leaders of Europe's biggest multi-national companies have united to call for an ambitious new industrial strategy to put the region at the forefront of efforts to tackle the major challenges of the 21st century, such as climate change, digitisation and global trade.

The European Round Table for Industry (ERT), a group comprising chairs and CEOs¹ of 55 of Europe's leading industrial companies, responsible for around five million jobs globally, have released an industrial strategy paper²³, entitled *Turning Global Challenges into Opportunities – A Chance for Europe to Lead*.

The paper coincides with the new European Commission taking up office and deciding priorities for the next five years including a long term strategy for the future of EU industry.

ERT welcomes and supports this and calls for smart policies to enhance competitiveness, strengthen innovation and ensure that European industrial companies can thrive in an increasingly complex world, whilst creating value for society.

Measures which industry leaders are calling for include:

- The EU to deliver a European 'Green Deal' which fosters investment in low carbon processes and technologies and ensures a supply of clean energy and raw materials for European industry at competitive prices
- A pan-European plan to accelerate the digital transformation and roll-out 5G infrastructure
- Increase investment in digital skills and training
- Modernised competition rules to allow EU firms to compete at scale globally
- A renewed focus on innovation, including at least €120 billion to be committed in the next EU budget to the new Horizon Europe programme and policies to make it easier to bring innovations to market.

These recommendations come at the same time as a new ERT report – the *Competitiveness and Industry Benchmarking Report 2019* - highlights how significantly the EU is falling behind other major economies on key indicators of economic performance.

Announcing both publications, **the Chairman of ERT's Competitiveness & Innovation Committee and Chairman of the Board of Executive Directors of BASF, Dr Martin Brudermüller**, said *"Europe is facing enormous challenges, but the good news is: we can turn*

these challenges into opportunities if we build on our unique strengths: our common EU values, the Single Market and innovation. Industrial companies create solutions for the societal challenges we face. We need to strengthen innovation and enhance the competitiveness of EU industry to provide jobs and prosperity for our citizens. Let us all work together, industrial companies, policy-makers and societal stakeholders from the start of this political new cycle to transform today's challenges into opportunities. To benefit European society!"

The data reported in ERT's Benchmarking Report³ for 2019 shows how vital it is that Europe quickly unites behind an ambitious, long-term industrial strategy. Findings include:

- European R&D spending rates (measured by intensity) are now below the OECD average, and below both China and the US
- European growth rates are significantly below the global average
- Overall economic productivity in the EU is just 75 per cent of that in the US
- The share of European companies in the Fortune 500 has declined from 32 per cent in 2010 to 23 per cent in 2019
- The number of patent applications in the EU is lower than in the US and China in the ICT sector and lower than in the US and Japan in the biotech sector. Europe performs worse than the US and China in terms of the share of 'unicorns'

ERT Members have also reiterated their own commitments, set out in detail earlier this year, in six pledges announced in *Strengthening Europe's Place in the World*, launched in April.

Both the industrial strategy paper and Benchmarking Report are being released in Brussels today (9 December) at a special event organised by POLITICO, attended by the new Executive Vice-President of the European Commission Margarethe Vestager and other distinguished speakers.

For more information on the POLITICO event *Scaling Up Europe: creating Global champions?* - including a livestream (from 16:00 CET on 9 December), go to: <https://www.politico.eu/event/scalingupeurope/>

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Note to Editors:

¹ A full list of Members of ERT follows on the next page.

² To read the ERT industrial strategy paper, *Turning Global Challenges into Opportunities*, go to: <https://ert.eu/documents/turning-global-challenges-into-opportunities/>

³ To read the *ERT Competitiveness and Industry Benchmarking Report 2019*, go to: <https://ert.eu/documents/benchmarking-report-2019/>

The European Round Table for Industry (ERT) is a forum that brings together around 55 Chief Executives and Chairs of leading multinational companies of European parentage, covering a wide range of industrial and technological sectors. ERT strives for a strong, open and competitive Europe, with the EU and its Single Market as a driver for inclusive growth and sustainable prosperity. Companies of ERT Members have combined revenues exceeding €2 trillion, providing direct jobs to around 5 million people worldwide - of which half are in Europe - and sustaining millions of indirect jobs. They invest more than €60 billion annually in R&D, largely in Europe.

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