



Press Release

Industrial leaders call out lack of implementation of EU Industrial Strategy and deliver set of key metrics to the EC

BRUSSELS, 4 November 2020: Against a backdrop of increasing volatility in global trade, a cross-section of leaders¹ from some of Europe's biggest multi-national companies issued a vehement call this morning for a more effective implementation of the EU's Industrial Strategy.

In the strategy launched by Commissioner Breton in March of this year, the European Commission set out several important priorities for the EU's industrial competitiveness over the coming decade. Recently, President von der Leyen announced in her State of the Union speech in September that the strategy would be updated, to take stock of the accelerated change in circumstances of the intervening months.

The European Round Table for Industry (ERT) welcomes that the EU's updated vision of the bloc's industrial future will take account of the impact of the Covid-19 crisis, but emphasises that urgent and meaningful follow-up is crucial to ensuring real impact. Any update of the strategy should include a set of quantifiable indicators, to enable the Commission to publish annual 'Competitiveness Reports' that track progress, benchmark the EU's performance against other world regions and correct course where needed.

Enough vision, time for implementation

In its new publication² entitled *Putting the EU Industrial Strategy into action*, ERT breaks down the Commission's priorities and proposes a balanced scorecard of 28 key performance indicators (KPIs) - based on available data from independent and verifiable sources. This pragmatic approach focuses on outcomes and performance drivers. Its aim is to demonstrate how the strategy should be brought to life and assessed at regular intervals.

Dr Martin Bruder Müller, Chair of ERT's Competitiveness & Innovation Committee and Chairman of the Board of Executive Directors of BASF commented "*The past 15 years have seen numerous false starts in EU Industrial Strategies, so this time really needs to count. Revising the strategy again after such a short while, without clearly putting implementation in focus, would be a missed opportunity to boost industry when it is needed most. The gap in priorities is widening with very fast progress on the Green Deal and plans to develop a digital compass in the coming months, but little or no movement in implementing the industrial strategy. That has to change. The twin transitions can only succeed with a strong EU industry at their core.*"

He added "*This is a critical moment of transformation for the EU. Political will and vision are vital parts of the equation, but it's essential to use more data-driven and comprehensive evidence to devise and apply the right policies. Only if we bring in a system that focusses on tangible outcomes and signals whether real progress is happening, will we truly be able to strengthen the EU's industrial competitiveness in a sizeable way – the objective of the strategy!*"

Knowing the score

The KPI scorecard, developed in partnership with consultancy Global Counsel, is based on five impact indicators (Gross Value Added, Employment, Wages & Salaries, Fixed Investment and Exports) and a total of 28 specific KPIs with accompanying targets for 2030 spread across 4 categories (Output performance, Internal processes, Future orientation and Global relationships). All based on the priorities of the Commission's recent Industrial Strategy, such KPIs reveal more clearly the *Achilles heel* of Europe's competitiveness, such as the low productivity levels, underfunded R&D, the lack of key infrastructure and the slow 5G roll-out as well as barriers to scale up innovative businesses.

Brudermüller concluded *"The companies led by ERT Members have longstanding experience of using Key Performance Indicators to implement strategies. We hope that the ideas in this publication can help the European Commission and the EU Member States to strengthen Europe's place in the world."*

The many challenges facing the European industry – climate change, disruptive technological developments and trade tensions – have been compounded by the ongoing uncertainties caused by Coronavirus crisis. In parallel to the shutdown of economies, societal adoption of some technologies has accelerated significantly. As innovators, industrial companies are playing their part³ in developing the solutions needed to help secure the future innovation and prosperity of the EU.

ERT Members have also reiterated their own commitments, set out in detail in April 2019, in six pledges announced in *Strengthening Europe's Place in the World*^{*}.

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Note to Editors:

¹ A full list of Members of ERT can be viewed here <https://ert.eu/members/>

² To read the ERT publication, *Putting the EU Industrial Strategy into action*, go to: <https://ert.eu/documents/KPIs4industrialstrategy/>

³ To find out more about the COVID-19 response actions by companies led by Members of ERT, go to: <https://ert.eu/data/covid-19/infographic/by-company>

^{*} Read about the six pledges here: <https://ert.eu/documents/strengthening-europes-place-in-the-world/>

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About the European Round Table for Industry (ERT)

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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