

EESC on European Industry Day: Let's turn challenges into opportunities

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The EESC argues for closer cooperation, longer-term and predictable policies and fair trade agreements under the Commission's leadership

"Industry is the source of prosperity in almost all Member States. When industries die, whole regions suffer", warns [Gonçalo Lobo Xavier](#), EESC Vice-President ahead of a two-day conference organised by the European Cluster Collaboration Platform to mark European Industry Day (22-23 February).

"The challenges for Europe's industry are extraordinary, and no single Member State can meet them alone. But the opportunities are also enormous. We have to grab them to keep our lead in the many sectors where we have it and get it back where we have almost lost it to competitors.

This path, however, will only be successful if all 28 Member States play together, not solo. Therefore I call on the Commission and the Member States to blend the many existing policies into a single longer-term strategy and commit our countries to coherent action in order to support industry clusters across national borders."

The European Economic and Social Committee (EESC) takes the same line in a recent opinion on [Investing in a smart, innovative and sustainable industry](#), adopted on 15 February, where it also calls for the completion of the single market, including the capital market. It is particularly necessary to enhance standardisation and self-regulation, says the EESC.

"The low-carbon and circular economy offers many business opportunities. In order to grab them, we need a common framework and a longer-term strategy as well as Member States' commitment to coherent action. All Member States need to pull together to overcome the global challenges", says opinion rapporteur [Bojidar Danev](#).

Open trade must be fair and sustainable

Enterprises are challenged in an unprecedented way to swiftly transform new technologies into successful innovations in ever more competitive markets.

"It is important that our companies comply with our very high environmental and social standards, but the same standards must apply to our competitors. We therefore urge the Commission to actively use the instruments available to tackle unfair trade practices. Our enterprises need a level playing-field," says Mr Danev.

People's welfare at the core of the labour market transition

The structure of the labour market will change dramatically. In order to avoid or at least mitigate the impact on employees, the EESC advocates proper

assessment and anticipation of possible changes. Since all workers need to upgrade their skills, particularly their digital abilities, work-based learning solutions must be applied more widely.

Technological challenges require ambitious policies and long-term investment but also changes to our education systems. Flexible pathways between education and work are needed. Collaboration between industry, schools and universities must be fostered, not only at national level but also Europe-wide.

“We need an expansion of the dual school system. Vocational training should play a greater role,” stresses opinion co-rapporteur [Monica Sitarová Hrušecká](#), who will speak at the European Industry Day’s workshop on the *Role of skills in future employment*.

“People must be at the core of change”, she adds. “The opportunities afforded by new technologies must not only be harnessed to create new products, but also to improve working conditions for staff”.

“Job security, job creation and social protection, particularly through the difficult time of transition, need to be in focus”, emphasises Ms Sitarová Hrušecká. “The EESC therefore urges the Commission to both provide more resources and extend the scope of the European Global Adjustment Fund”.

Bundling national to European efforts

“Our main competitors, China and the US, but also Korea and India, are single states with one industrial policy, while our industry policy is in the hands of 28 Member States. Industry is where we most need to manage the balancing act between the nation state and the EU, overcoming national thinking to think geopolitically. Like in the old days, the new Silk Road must also lead from West to East, with high tech products going from Europe to the rest of the world.

Therefore my advice is to pull together, to increase European collaboration in R&D and innovation activities combined with a strong skills agenda, and to turn the challenge of the digital age into a big opportunity for Europe’s industry”, concludes Mr Lobo Xavier, who will speak in the panel “Clusters and partnerships for stronger EU value chains” on the European Industry Day on 23rd February.

[Speech by President Jean-Claude Juncker at the opening plenary session](#)

of the Ideas Lab 2018 "Europe – Back on Track" of the Centre for European Policy Studies

Dear Joaquín,

Ladies and Gentlemen,

It is a great pleasure to be with you today for your annual conference.

I had the pleasure to know and to work with Joaquín for almost as long as I have been in politics. That is a long moment.

We were both – that was a special period – Ministers for Labour at the same time in the 1980s. He was in government in 1986 when Spain took its rightful place in our Union. And we later worked closely together – he as a Commissioner for Economic and Monetary Affairs and myself as the President of the Eurogroup. That was not always a pleasure because we had many controversial debates, but at the very end he lost. But he is a convinced European and a proud Spaniard, always ready to stand up for our Union, and he did it again and again.

[Europe: Back on track]

There are plenty of reasons for us to be positive today, just as the title of your conference is suggesting.

It is not so long ago that our Union was in danger of sleepwalking from one crisis to another without waking up.

This was the alarm call in fact we needed.

Since then we have slowly but surely turned the page from this so-called "polycrisis". And we have been able to do so by being united and by delivering on things that matter.

This has been my priority since the day the Commission took office.

We have already delivered 80% of the initiatives – 368 out of 460 to be precise – that we said we would when we took office.

We had some luck along the way but we also made our own luck. When faced with the wake-up call, Europe's leaders and institutions came together. We chose unity.

Together, we chose to rally around a common positive agenda and renew our vows to our Union of solidarity.

And the results start to speak for themselves.

Every economy in our Union is now growing healthily. Employment is at an all-time high, unemployment at a 9 year low.

Business and consumer confidence are at their highest levels this century. Investment is now picking up.

But it is not just about numbers and figures. We have also made steps forward together that many thought unthinkable even in 2014.

We saw this with 25 countries taking part in the historic launch of Permanent Structured Cooperation in defence – the Sleeping Beauty of the Lisbon Treaty – at the end of last year.

The European Union has also stepped up on the world stage. We are now the driving force of global free and fair trade. With like-minded partners such as Canada and Japan we are helping each other grow, while setting standards that uphold our common values.

Together the EU and Japan already account for a third of the world's GDP. The new agreement could increase our exports to Japan by a third and save EU companies EUR 1 billion in custom duties every year.

At the same time, it will enshrine gold standard protection when it comes to food safety, regulatory standards and environmental protection.

We have also shown that we are a Union of solidarity. In 2016 alone, we offered asylum to three times as many refugees as the U.S., Australia and Japan combined. That is what some are calling the European fortress – three times more than the U.S., Australia, and Japan combined. And thanks to our pro-active, European approach, we were able reduce arrivals to our shores by 63% in 2017.

[Road to Sibiu and beyond]

There are many other examples I could choose to show how Europe is indeed back on track.

But my message today is that we cannot slow down. Europe must now press the accelerator. We still have a lot to do.

Between now and next summer when Europeans take to the polls, we must deliver on the reform of the Economic and Monetary Union, secure our borders, overhaul our asylum system, get back to Schengen, complete the Digital Single Market, bring the Western Balkans closer to our Union.

If we achieve this, our end destination will be a more united, democratic and stronger Union at 27. By the time European leaders meet at a special summit on Europe Day 2019 in Sibiu, Romania, and there we must be able to show our citizens that this new Union of 27 works for them.

The Commission will be full steam ahead until the very last day of our mandate. And starting tomorrow, European leaders will meet 19 times in the next 18 months to tackle the issues that matter the most to our Union.

[A European budget for tomorrow]

And since we are on the eve of the first of those 19 meetings, I want to touch on the importance of tomorrow's discussions, in particular on the new Multiannual Financial Framework.

I see it an opportunity for Europe's leaders to send a clear message that Europe is not only back, but that it really means business.

Every seven years, Europe has to decide on a new budget for our Union. It is time for decisions.

It is about deciding what kind of Europe we want, about what we want our Union to be able to deliver.

First we must agree on our priorities, and then we can talk about numbers, about figures. It should not be the other way round. And if we have ambitious goals, then our budget should be equally ambitious.

Last week, we spelled out in black and white the choices that the European Union faces.

Let me give you a concrete example. When we ask Europeans what their top priority is, securing our borders consistently comes out as the first or second answer.

So we must decide now how to deliver on that. We could for instance choose to maintain the European Border and Coast Guard as it is. Or we could upgrade it so it has more staff, more tools, a bigger role in returns. Alternatively, we could transform it into a fully-fledged border management system with 100,000 EU staff.

Each of those options are debated and are discussed, but each of those options comes at a price.

The first of those options, maintaining the system we have, would need an 8 billion euro investment, in the next period of seven years. The second, upgrading the border control, would need between 20-25 billion euro. And the third, having 100,000 EU staff would need 150 billion euro. We must decide what it is we want to achieve. And then we must come back to the resources we need to do this.

And to do that, we need Member States to change the way they think about the European budget – a budget that only accounts for around 2% of public spending in Europe.

There is unanimity in the Council. We have those who do not want to pay more and we have those who do not want to receive less – that is the only piece of unanimity we have in the Council. But these two things are not really swimming in the same direction.

So the logic has to change. We need a budget that matches our ambitions. For instance, we want to be world leaders in renewable energy and get ahead of

the curve on new technologies. If we want our Union to have a role in that, we must give ourselves the tools we need to make it happen.

The next budget will have to be large enough to manage new priorities and at the same time plug the gap left by the United Kingdom's withdrawal. That may mean that some pay more. We have to be honest enough to say this now, before the debate will start.

And on the same note, Member States must know the value of the budget as well as they know the cost of it.

We can all be net beneficiaries. European money invested in one country, or one region, has of course a value far beyond one border.

Tomorrow will not be a time to make final decisions. But it will be an important moment to show our willingness to swiftly agree on an ambitious and flexible and simplified budget for our future.

As I said earlier, Europe must now go full steam ahead. Delays on our journey are not an option. For the last budget, a slow agreement proved very costly.

At this time, back in December 2013, the fact that we were not able to agree earlier costed 5,000 research jobs for every single month that we did not agree. And it could cost up to 600,000 Erasmus places in 2021 if we are not agreeing on the budget before that date. But everyone, all the Prime Ministers are saying that we have to increase the number of those being in the Erasmus+ programme. We have to bring the money where our lips are.

[Conclusion]

Too often in Europe we talk about challenges and we forget about opportunities. Equally, we spend too much time discussing intentions rather than results.

Now that Europe continues to regain its strength, we have a once in a generation opportunity to build a stronger, more united and more democratic Union we collectively deserve.

We should grasp this opportunity with courage and with boldness. This is a time for action, not only for discussion.

Last September, when delivering the speech on the State of the Union at the European Parliament, I spoke of a Union of equals, a Union which is open to the Western Balkans. A Union with an enlarged euro area, Schengen space, Banking Union. A Union which stands up for fairness in the labour market and that is more accountable and able to take decisions in a quicker and more effective way.

This Union, the one I am speaking of, is not abstract. We can deliver on it now – without Treaty changes. This is why I set out a Roadmap to Sibiu and why leaders also agreed on an agenda to get us there.

We are now fully focused on making sure Europe stays on this track. We must

take it stop-by-stop, starting tomorrow. But just as those who set out on this journey 60 years ago, we must never lose sight of where we want to go.

Let us go together.

Thank you.

Keynote speech by Vice-President Maroš Šefčovič at EU Industry Day – EU industry leadership in the transition to a low carbon society

I am delighted to welcome you to this **first edition** of the **Clean Energy Industrial Forum**

Back at the end of 2016 when we announced it in the Clean Energy Package, this forum seemed like a distant dream.

It is now taking place and, even more importantly, it has been prepared intensively **by** and **for** the industry – with collective and concerted actions, pledges, targets, projects and partnerships etc. We will hear more about them today and tomorrow.

This forum gives an opportunity to showcase what **you** are doing to boost EU leadership in the clean energy transition.

Of course in the same way as the Energy Union is not just about energy, its Industrial forum is not just about industry: it is about modernising and energising our economy, with innovators, workers, cities, investors, on board.

It is about delivering jobs, growth and investments for Europe.

But it is also about seizing the impressive growth opportunities created outside Europe for clean energy solutions – this is a fantastic opportunity for the EU industry at large.

We have a very positive story to tell. But it is in the making.

Our climate and energy targets, our regulations, our financing instruments are already being transformed into investments, innovation, growth and jobs.

Thanks to our joint determination, some 9 million Europeans are already working in the clean energy sectors. And we can expect this number to double by 2030.

The EU has great innovative and industrial assets to drive this transition. We will hear about them. But I would go one step further: our greatest **competitive** assets are the **values** we uphold. The only way to build and consolidate EU industry's position as frontrunner in the global clean energy transition is to defend these core values.

To stay or become the global leader in innovation, decarbonisation and digitisation we must therefore:

promote a rule-based multilateral system (fighting protectionism),

- forcefully pursue our sustainability agenda ("making our planet great again"),
- make sure that our competitiveness and social models work hand in hand (long term prosperity should also mean lowering inequalities)
- support and empower our citizens, cities, communities, our ecosystem to develop new business models, with smarter ways of living, consuming, working and moving around

I do not want to make the usual pitch about what the Commission has done – most of you are already very familiar with our Clean energy and Clean mobility packages. They are necessary. But not sufficient.

What is needed is **industrial ownership** of and **leadership in** the Energy Union project. We know the energy transition and the global fight against climate change will not succeed without the industry. You are the key drivers of EU innovation and global competitiveness. And since I have started this mandate, I certainly have witnessed that things are moving. European business forcefully embarking on this journey like never before

1. **So, why is this forum timely ?** Because as you very well know competition in the global market place is fierce. And let's be frank: in some areas (such as PV cells and modules) it is not that emerging economic power are catching up. They are now clearly one step ahead of us ! China has become the largest clean energy investor in the world. And other Asian countries are striving to become or stay first-movers (Koreans in batteries for instance). We can still overpass them but we need to act fast. So our future is being decided now. What we do today – not tomorrow – will define if we can be frontrunners, followers or the laggards of the fourth industrial revolution.

2. **What do we need to focus on?** Establishing Europe's **strong industrial and manufacturing base in strategic sectors**. This is critical to our competitiveness but also to maintaining Europe's capacity to innovate and remain at the cutting edge. It is the only way to bridge the deployment gap (so-called "valley of death" for our innovation). Yes, we should massively and strategically invest massively into disruptive innovation to achieve our climate goals. But we should also have the manufacturing base in place to convert this into competitive advantage. Otherwise we become the "incubator" of the rest of the world, and our innovators end up responding to the Siren calls of our global competitors, despite our initial investment.

3. **How do we achieve that?**

Through robust partnerships. This is what this first edition is about: **creating robust partnerships and announcing concrete actions**. Public-private partnerships of course. But even more importantly partnerships inside the full value chain, and joint action plans.

To prepare for the Forum, an impressive work has been done by a very wide array of actors covering entire value chains – and I want to thank them for that.

In three strategic areas for the Energy Union: batteries, renewables and construction. In three industry-led initiatives, actions have been or are being agreed that will be instrumental to deliver on our energy and climate goals in the future.

Batteries: they are a – if not the – key enabler for our mobility and energy systems. Developing a competitive manufacturing value chain for batteries, in Europe, is not just a precondition to prevent major technological dependence upon our global competitors. It also has huge jobs, growth and investment potential – up to 4 to 5 million jobs could be created ! A surge in battery demand is expected over the next 5 years. This represents a new market of around 250 billion euros a year. If we get our act together.

Europe's **renewables** industry-led initiative covers all renewable energy technologies and the full sectoral supply chain, from material developers, to technology providers, passing through project developers. This in itself is a first. You will hear about the priorities identified by all those actors.

The work is intensifying on **construction**. Buildings consume 40% of the EU's final energy demand, more than any other sector. So large energy savings can be done. The Smart Finance for Smart Building has just been set up by the EIB. It will act as a formidable leverage instrument (up to EUR 10 billion for EE in buildings). This initiative could take up to 3 million families out of energy poverty. But we need to go further to reduce the significant resource and environmental footprints all along the buildings' life cycle.

As part of the clean energy forum a number of workshops, organised by stakeholders, industries and start-ups will feed into our reflections, covering: the link between digital and circular economy, the clean mobility sectors, low carbon industrial innovation in energy intensive sectors, and an exhibition of our world class start-ups that will be opened in Covent Garden later this afternoon. So quite an ambitious programme !

These industry-led initiatives, workshops and exhibition showcase our thriving ecosystem and global competitiveness.

Tomorrow, Commissioner Moedas will launch a 'European prize on batteries', rewarding our collective efforts to promote innovation in that sector.

And you will find us both at the signing ceremony for the first ever Innovfin EDP loan to impressive batteries manufacturing project in Sweden.

I do hope that in these two days we will discuss both concrete areas of common action, but also our level of ambition.

I would also like to make the link with efforts undertaken by cities in Europe and in the world – very significant action is taking place thanks to local authorities. So they are creating the demand. And it is up to EU industry to respond to it, by deploying state of the art innovative solutions : decentralised energy production, smart buildings, charging infrastructure for electric and other vehicles, clean car sharing services etc.

Today the EU Covenant of Mayors is meeting and will report to us tomorrow on what they can offer and expect from industrial and innovation stakeholders.

Finally, I am convinced that this Forum will be feed into the high-level discussions of the 'Clean Energy Ministerial' and 'Mission Innovation' meetings in Malmö and Copenhagen on 23-24 May 2018. The EU is co-hosting these annual events with the Nordic Council. All major economies will be present. This will be a great opportunity to show that when Europe claims leadership in the clean energy transition and innovation, **"we mean business"**. By that time, the World should know what we – European industry, policy-makers, researchers, innovators, cities, investors – are collectively delivering.

I wish you fruitful discussions in this special first edition of the Clean Energy Industrial Forum.

[Pressemitteilung: EU-Prüfer untersuchen Kontrollsystem für ökologisch erzeugte Lebensmittel](#)

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[Yves Mersch: Reaping the benefits of payment services in a new regulatory environment](#)

Speech by Yves Mersch, Member of the Executive Board of the ECB, at the European Banking

Federation's Executive Committee, Frankfurt am Main, 22 February 2018

The revised Payment Services Directive (PSD2) has featured high on the agenda of the payments industry for some time and it will continue to do so. The regulatory technical standards (RTS) on strong customer authentication and common and secure open standards of communication, which have been submitted by the European Commission to the co-legislators for scrutiny, strike a fair balance between the previously diverging views of the different players. They should soon be finalised and then published in the Official Journal.

The new legislative framework will support innovation and competition in retail payments; it will enhance the security of payment transactions and the protection of consumer data. It will introduce major changes to which all payment service providers (PSPs) will have to adapt, and I encourage all PSPs to ensure the highest level of security in their payment services and adopt the requirements of the RTS ahead of time. Banks should also grasp the opportunity to work towards a single and standardised interface to communicate with third-party providers (TPPs) across Europe in a safe and efficient manner. Cooperation with TPPs and users is crucial in this context in order to deliver innovative, efficient and competitive services to the people of Europe.

Let me explain this in more detail.

Security requirements during the transition period

As co-chair of the European Forum on the Security of Retail Payments (SecuRe Pay), the ECB has contributed in particular to the RTS in respect of strong customer authentication and common and secure open standards of communication, the Guidelines on security measures for operational and security risks of payment services and the Guidelines on major incident reporting. It is still involved in the finalisation of the Guidelines on fraud data reporting requirements.

Now that Member States have transposed or are about to transpose the PSD2 and almost all pieces of secondary legislation have been finalised, I think we can say that the European market has taken a major step towards:

- increasing the protection of payment service users against fraud and possible abuses of their financial information,
- fostering the resilience of PSPs through harmonised minimum security requirements, and towards
- enabling competition in the field of payment services by introducing innovative payment services such as payment initiation services, account information services and issuing card-based payment instruments where a confirmation on the availability of funds is requested, as well as clarifying the applicable liability regime for such services.

I am aware that the market still has some concerns and that clarifications with respect to the PSD2, and the RTS in particular, have been requested. The

ECB will continue to provide support and expertise in this field as an active observer in the API Evaluation Group, which was recently established by the European Commission.

Beyond this, I am convinced that it is in your particular interest as payment service providers – and in the interest of the security of the retail payments market more generally – to implement the RTS and other related PSD2 requirements as soon as possible. Please do not wait 18 months until you are obliged to comply with the security requirements enshrined in the RTS. Take action soon, as these measures are necessary to mitigate threat scenarios of which you are well aware.

For example, strong customer authentication solutions with dynamic linking of the authorisation to the specific amount and payee will help to prevent man-in-the-middle attacks. Transaction and device monitoring is essential to identify unusual payment patterns and potential fraud cases. It is also essential to start offering well-functioning and reliable access interfaces to the payment service user accounts in order to protect the confidentiality and integrity of your customer information.

It is also paramount that TPPs be authorised or registered as soon as possible, and comply with all legal requirements at an early stage. TPPs need to bear their share of the responsibility by testing and using the access interfaces in a prompt and cooperative fashion, and by contributing constructively to the ongoing efforts aimed at the standardisation of these interfaces.

Standardisation

Standardisation is a basis for the efficient and pan-European provision of payment services in an integrated market. Already shortly after the adoption of PSD2, members of the Euro Retail Payments Board (ERPB) voiced concern that the legal requirements alone would not be sufficient for the provisioning of efficient and integrated pan-European payment initiation services (PIS) and that the industry should agree on common technical, operational and business requirements to complement the legal requirements.

“Business” in this sense means, for instance, the processes for incident handling between PSPs but excludes commercial aspects. “Operational” refers to matters such as a directory service that banks could address 24/7 to check whether a TPP contacting them is indeed still a licensed PSP. “Technical” relates mainly to the interfaces that banks are obliged to offer according to the PSD2 and the RTS.

The PSD2 and the RTS do not provide technical specifications; they only set high-level requirements. In order to remain technologically neutral, and to cater for potentially different approaches by PSPs, the RTS give the account-servicing PSP the choice of establishing an interface dedicated to payment initiation services or allowing TPPs the use of the online banking interface used by their normal customers.

As a consequence, the approximately 4,000 banks offering SEPA credit transfer

could in theory finally try to meet the legal requirements of PSD2 and its RTS by developing and offering a **proprietary** interface. Thus, in a worst-case scenario, any TPP would need to manage 4,000 bespoke IT-projects to connect to each of those banks, thereby clearly going against the spirit of the new directive.

Back in February 2014 in the ECB's legal opinion on the proposed PSD2, we pointed out the importance of working towards a **standardised** European interface to facilitate pan-European PIS. The European Commission has also clearly articulated recently that a standardised interface is their preference, since it provides the technical basis for competition and allows even the smallest players, including start-ups (fintechs), to enter the market with new and innovative services that could be offered with a pan-European reach.

It is a step in the right direction that only a few initiatives are currently developing standardised specifications for Application Programming Interfaces (APIs) and the ERPB already called for close cooperation between these projects. I would even go a step further and encourage these initiatives to join forces and agree on one common technical specification so that the whole of Europe could base their systems upon one or a few technical API standards. This will greatly facilitate market entry, avoid fragmentation and allow for competition at the service level, avoiding obstacles at the technical level.

To promote the uptake of standardised APIs, the European Commission has invited market participants to establish an API Evaluation Group, which has just started its work. I call on the banks to actively, substantively and speedily contribute to the activities of this Group, as its findings are essential for the competent authorities, after consulting the EBA, to grant an exemption from the RTS obligation to offer a fallback solution for the dedicated interface.

I am of course aware that a bank can also be compliant with the RTS by offering an adaptation of its customer online banking interface instead of a **dedicated** interface. Such interfaces would meet the legal requirements, but would not meet the market needs of efficient and pan-European provision of payment initiation services. So I was disappointed when I heard that some banks seem to be seriously considering this option. I strongly encourage them to offer a dedicated interface, based on a standardised specification, as this is one pillar of successful PIS.

Last, but certainly not least, the ERPB extended the mandate of its Working Group on payment initiation services to follow up several common requirements related to operational and business elements, which together are the other pillar of successful PIS. I appreciate the commitment that the banks have shown to this important task and expect to complete the work by June 2018. It is important that the API Evaluation Group and the ERPB Working Group progress in parallel so that PSPs have clarity by the summer and can plan their investments that need to be made. Then they can prepare for a timely implementation of PSD2 and the RTS and be ready for the competition that PSD2 aims to foster.

Conclusion

To conclude, I would strongly encourage European payment service providers to embrace the opportunities the PSD2 provides for competition and innovation, to cooperate in the standardisation of APIs that should preferably result in a single API, and to implement all the security requirements of the new directive and its RTS as soon as possible, even before they become mandatory.

I count on the full commitment of the European Banking Federation and the entire payments industry to work towards safe, efficient and innovative payment services.