

18 March 2014

**CEEMET STATEMENT
to the Heads of State and Government and President of the European Council
on the occasion of the March 2014 European Council**

Forecasts regarding European overall economy are showing positive signs of a slow, albeit fragile, recovery.

The manufacturing industries represented by CEEMET include aerospace, automobile, basic metals, ICT and machine tooling, by far making up the biggest industry sector in Europe. Our 200 000 companies from these industries employ close to 35 million workers, directly and indirectly.

The members of CEEMET support the ambitious 'Mission Growth' goal of bringing industry's contribution to GDP to 20% by 2020. To improve international competitiveness and create more jobs in Europe, a fit for purpose, stable framework to encourage and attract investments is needed in addition to economic growth.

The EU is at a cross-roads. At the meeting on 20/21 March, Heads of State and government have to show leadership and agree swift, well-coordinated and consistent policy actions. Full and effective implementation of industrial policy in the EU is central, as highlighted in the Commission Communication *For a European Industrial Renaissance* earlier this year.

It is now time to act.

Whereas the current debate focuses on competitiveness factors such as international trade, better access to secure and affordable energy and modernising infrastructure, we also have to highlight the importance of *dynamic and inclusive labour markets* in Europe with a skilled and motivated workforce.

Dynamic labour markets are pivotal to recovery in order to create new jobs and to bring down the too high levels of unemployment currently seen across Europe, in particular for the young generation. To strengthen the international competitiveness of European manufacturing industry, we must ensure that policies and regulations support dynamic, flexible and inclusive labour markets.

Flexible forms of employment enable the industry to meet the challenges that come with technological development, globalisation of markets as well as employee needs. This development is welcomed and should further be encouraged.

It is also essential for governments and regulators to focus on ensuring that excessive additional labour costs are reduced to reasonable levels so that people in Europe are not priced out of their jobs. Furthermore, a conceptual shift has to be facilitated, away from policies based on job protection to those that are focused on the protection of employment, including the individual's employability.


While CEEMET's focus is on better regulation, dynamic labour markets and skilled employees, we also recognise that there are further factors determining European industry's competitiveness, including access to sufficient and affordable finance, in particular for SME's; targeted smarter investments in research, development and innovation; and cutting energy cost, including by accomplishing a seamless internal market through, for example, integrated energy networks while supporting more open world markets for goods and raw materials.

Since industrial policy is a horizontal issue, we ask the European Council to consider the following actions:

- Designate a European Commissioner or a group of Commissioners who will be responsible for ensuring that all EU policies which impact upon manufacturing competitiveness are fully aligned.
- Significantly strengthen the Competitiveness Council in order to allow it to scrutinise all proposals for their impact on manufacturing competitiveness.
- Ensure that the European Council annually analyses the progress that has been made towards restoring the manufacturing competitiveness of Europe.
- Set up an independent impact assessment unit at the European Council.

In view of the positive economic signals and the election of a new European Parliament and a new European Commission, this European Council has to seize the opportunity in defining the fundamental policy actions to boost Europe's economy. Growth through investment and innovation will ultimately support Europe's social dimension.

Now is the time to show leadership and agree swift, well-coordinated and consistent policy actions.



Sakari Tamminen
CEEMET President