

PRESS RELEASE

Orgalim welcomes the proposed EU recovery package and calls for close dialogue with industry



Brussels, 27 May 2020

We strongly welcome the European Commission's proposal for a recovery package to "repair and prepare for the next generation" in response to the current crisis caused by the COVID-19 situation. Manufacturing in the Euro-area has experienced a [substantial deterioration in its business cycle](#) as the impact of COVID-19 hit both the demand and supply sides of the technology industry. In the industries represented by Orgalim – accounting for roughly one-third of Europe's total industry – the reduction in output was unprecedentedly strong, overtaking that experienced during the financial crisis of 2008-2009.

Industry, and Europe's technology industries in particular, play a decisive role in ensuring a broad-based and sustainable upturn in the wake of the COVID-19 pandemic. We are therefore calling on Europe's leaders to prioritise helping our industries, of which 90% are SMEs, to survive these challenging times and regain their financial vigour.

We support the goals set out by the new recovery instrument, Next Generation EU, with a 750 billion euro budget. Beyond the help to kick-start and sustain the recovery, we welcome the investments in the research, development and innovation programmes of Horizon Europe that will remain crucial to ensure an agile and resilient European industry.

A strong and stable policy framework is also crucial and therefore we welcome the policy fundamentals of the recovery as defined in today's announcements. As we have stated throughout the crisis, we are convinced that the Green Deal and strengthening the Single Market and adapting it to the digital age, will be the anchors of the EU's recovery. We call on all policymakers to continue strengthening this policy framework in full cooperation with industry.

The current crisis highlighted the interdependencies of our economies at a global scale. We recognise the focus on reinforcing our industrial resilience in Europe, but also emphasise the reality of a continued mutual technology dependency between Europe and other major economies. Far from being mutually exclusive, these considerations should in fact be understood as mutually reinforcing. If European technologies can continue to set the global standard in certain areas, providing a clear value proposition in other markets, Europe's technological leadership will also be safeguarded. In turn, for our products and services to be attractive to non-EU markets, our companies need

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continued access to cutting-edge innovation, whether developed in the EU or abroad. This should remain a guiding principle for the implementation of the recovery package.

We fully endorse the role of engineering and manufacturing as key parts of Europe's industrial ecosystems. We are in principle open to the creation of a new Strategic Investment Facility to support cross-border investments as well as to further incentivise European industrial and business leadership. However, given our industries' transversal role supporting the competitiveness and technology leadership of Europe's economy, success will depend on a strong governance for the proposed ecosystems and ensuring that advanced manufacturing is a core part of them.

In addition to the financial recovery package, we welcome the decision to review the 2020 Work Programme. As [previously communicated](#), the review was necessary to enable our industries to concentrate on the actions that directly support the EU's recovery. The extent of the review is however not sufficient and we reiterate our [call to postpone](#) a range of additional files so that our industries can focus on those actions that directly support EU's recovery and our global competitive position.

Coordination with the industrial stakeholders, including transversal industries like those represented by Orgalim, will be key, and we confirm our support for the Commission's proposal for an Industry Forum as outlined in its March industrial strategy communication. We believe this Forum will play a decisive role in structuring dialogue as well as providing feedback and guidance on planned regulatory actions. It is important to avoid a fragmentation of governance, especially when it comes to further actions around the ecosystems.

Speed is of the essence: Europe's technology industries remain fully committed to working closely with EU and national decision makers to achieve a broad-based, lasting and sustainable industrial recovery.

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About Orgalim

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Orgalim commits to champion an EU policy agenda for sustainable growth; to support the industry in its transformation; and to advance dialogue between business, policymakers and citizens on the relationship of technology to society. We are shaping a future that's good.

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For more information, visit <http://www.orgalim.eu/> or follow us on [Twitter](#) and [LinkedIn](#).

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