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Advanced Manufacturing: unlocking a future-proof EU Industrial Strategy

The '[new industrial strategy for Europe](#),' presented by the European Commission in March 2020, highlighted the central role of industry for Europe's future progress and prosperity. It signalled the EU's overarching ambition to be at the forefront of the digital and green transitions, and its determination to safeguard Europe's future competitiveness. Orgalim, Europe's Technology Industries, had long called for such a strategy and [actively contributed](#) to this work.

However, since last March, the pandemic – and the final year of the Trump era – have irrevocably changed things. Crucially, they have focused minds on what the EU calls '[strategic autonomy](#)', and the role that trade and technology play in shaping Europe's ambitions.

The Commission recognises this new reality, and an updated industrial strategy will soon see light to help Europe further build its authority on the global stage and strengthen European industry's long-term resilience and competitiveness. Orgalim supports this approach.

To create the horizontal policy foundations for success, and to generate the next wave of global industrial leaders, we believe the updated industrial strategy must reinforce a number of crucial elements:

- The critical role of advanced manufacturing technologies should be fully reflected. With the convergence of operational technology (OT) and information technology (IT), advanced manufacturing creates breakthrough innovations in both industrial products and production processes and enables the emergence of new business models. These are transforming manufacturing across sectors and ecosystems, unlocking new competitiveness opportunities, and supporting the green and digital transformations.
- In this context, the EU could consider creating an industrial alliance - bringing together Member States, industries, research organisations and experts - to map Europe's strengths and gaps regarding advanced manufacturing technologies, identify joint priorities for production investment and implementation, and define supporting policies. This could build on the previous work related to the Industrial Internet of Things (IIoT) work of the Strategic Forum.
- There needs to be a renewed focus on creating a seamless internal market, with a particular focus on making it fit for the digital age.
- Trade policy should become an integral part of the industrial strategy, to create a level playing field at home and abroad (for example tackling non-compliant and counterfeited products circulating on the EU market, dealing with unfair subsidies, ensuring reciprocal access to public procurement, and creating access to new markets through trade agreements).
- Measures to reduce industrial vulnerabilities should maintain the freedom of commercial decisions such as value chain decisions. Notably there should be no reshoring measures that would override commercial logic.

- Finally, the updated industrial strategy should include a strong focus on business model transformation (like servitisation), which will be one of the critical transversal success drivers for European industry's future resilience and competitiveness. The Industrial Forum could be called on to develop a gap analysis and action plan across sectors and ecosystems.

The success of the industrial strategy will rely on the establishment of a strong governance to ensure a common, coordinated approach across Member States, industry sectors, ecosystems and value networks. In this context, the Industrial Forum will have a central role to play, and thus we are delighted of the [appointment of our President Rada Rodriguez](#) to contribute the insights and perspectives of Europe's technology industries.

Orgalim represents Europe's technology industries, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering, electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of €2,298 billion, manufacturing one-third of all European exports and providing 11.55 million direct jobs. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.

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