Brussels, 25 November 2026

Opinion editorial:
Europe's industrial future is ours to shape

I have been living in Belgium for 23 years, yet both professionally and personally, Franco-German relations are close to my heart.

I feel a strong connection to the Upper Rhine region: perhaps because, as a lobbyist, I frequently visit the European Parliament in Strasbourg, but also because of the last fifteen years of my career. In my role as Secretary General of the European Agricultural Machinery Association, I worked closely with Rauch and Kuhn, both world market leaders in fertiliser spreaders and based in Baden-Baden and Saverne, respectively. In my role as Director General of the European Spirits Association, I discovered a gin distillery in the Black Forest, Monkey47, that went on to build a global brand in partnership with the French Pernod-Ricard group.

Today, in my current role, I think of the company Hager. With production sites in the Saarland and Alsace, it is naturally emblematic of the successful Franco-German industrial cooperation here in the Upper Rhine region.

So it was with great pleasure that I spoke last week at the Rhein Forum, against a backdrop in which Europe's industrial competitiveness is unmistakable under pressure.

Investment is moving elsewhere, and the risk of deindustrialisation is real. But the conclusion that Europe's industrial best days are behind it would be premature.

As proven in just these few examples, we still have the companies, the skills and the technologies that make a remarkable industrial base.

What we lack is the speed, the investment and the political conditions to turn that potential into industrial success.

In Brussels, industrial competitiveness is now firmly back on the political agenda. In the Upper Rhine region, we see what European industry can achieve when cross-border cooperation works.

These are not abstract examples of European cooperation. They are businesses, technologies, production sites and jobs. They show how Europe's industrial strength is built: through expertise, investment, supply chains and markets that do not stop at national borders.

That model is now under pressure. China is investing heavily in industrial ecosystems, not just individual technologies, and the United States is treating advanced manufacturing as a strategic priority, backed by industrial incentives and a more protectionist trade policy. Europe cannot ignore these developments, nor can it assume that the industrial capabilities we have today will remain here tomorrow. Once production capacity and manufacturing know-how disappear, rebuilding them is difficult, costly and often takes years.

Europe's response should not be resignation or a retreat into protectionism, however.

From technological strength to industrial application

The next generation of industrial production will not be shaped by one technology alone. It will come from integrating robotics, automation, artificial intelligence, digital twins, additive manufacturing, advanced materials and industrial software.

Consider what this means in practice: AI can identify an improvement in a product design; a digital twin can test that improvement before anything is manufactured; additive manufacturing can produce the component; and connected robotics and automation can integrate it into production while data continuously monitors and optimises the process.

The result can be greater productivity, lower energy consumption, less waste and more resilient supply chains.

This is already happening in European factories. So the issue is not whether the technology exists, but whether we can invest in it, deploy it and scale it fast enough to remain competitive.

At Orgalim, we set out our vision for this in Europe’s Next Industrial Era, part of our i.AM campaign – integrate Advanced Manufacturing. Our ambition is for Europe to be home to the world's cleanest, most advanced and most resilient high-tech manufacturing technologies by 2040. That means connected, smart and productive factories, combining engineering excellence with digital technologies, and developing solutions that other economies will want to adopt.

For this to happen, we need three things:

- Firstly, sustained investment in research and innovation. This means strong research programmes, public-private partnerships and close cooperation between industry and research institutions.
- Secondly, much better support for industrial deployment and scale-up. We fund research, produce promising prototypes, but then abandon companies at the moment they need to bring them to market. Companies need finance, testing opportunities and the right conditions to scale innovative production in Europe, particularly as investment risks rise between prototype and commercialisation.
- Thirdly, a business environment in which companies want to invest, manufacture and grow. This is where industrial policy must deliver.

Multiple industries: one economy

Since the publication of Mario Draghi's landmark report on European competitiveness in September 2024, it is difficult to find a political programme in Europe that does not talk about competitiveness, industrial investment or simplification. But rhetoric will not determine where companies invest. Policy decisions will.

For example, supporting European steel production matters, but measures to protect steel producers can also increase costs for manufacturers of machinery, electrical equipment and other industrial products that depend on steel.

One industrial policy decision can have consequences across multiple sectors, so we need an approach that considers the entire value chain and the wider economy - rather than strengthening one industry at the expense of another.

The same principle applies to "Made in Europe". Europe must respond to subsidies, tariffs and local-content requirements elsewhere, but not by defaulting to protectionism. Our industrial strength depends on open markets and global supply chains. We need to build capacity where it matters strategically while maintaining access to reliable international partners. We also need to consider how Europe will make money in the next ten or fifteen years, and support the industries where we can be truly competitive.

Simplification on the factory floor

The EU has made simplification a priority, with its omnibus packages and renewed focus on the Single Market. But progress is slow, and new legislation continues to add complexity. Companies still have to navigate overlapping requirements under legislation such as the AI Act, Machinery Regulation and Data Act.

That complexity comes at a cost: time, resources and investment diverted from developing products, upgrading production and deploying new technologies.

We need predictable rules, a functioning Single Market and proportionate regulation that works in practice. Policymakers cannot legislate competitiveness into existence; they must create the conditions for companies to invest and grow.

And they need to do it now. Companies are making investment decisions today. If Europe is not an attractive place to invest, they will invest elsewhere.

Decisions to shape 2040

So we have a choice. We have strong industrial capabilities and technologies, and we can build on them to create manufacturing that is more productive, innovative, sustainable and resilient. This requires a coherent industrial strategy, not a collection of individual initiatives that pull in different directions.

It also requires action in Berlin, Paris and other European capitals, not only in Brussels. EU industrial policy will only succeed if national governments support it, implement it consistently and resist the temptation to add unnecessary layers of regulation.

At Orgalim, we will continue to work with our members to push for the policies our industries need. But industrial competitiveness is not something associations can deliver on their own. It depends on decisions made by policymakers, and on whether Europe's businesses have the confidence to invest here.

The companies in the Upper Rhine region demonstrate what European industry can achieve when expertise, production and markets work together across borders. We have examples like these across Europe. Our task now is to make it possible for more companies to build, scale and compete from here.

The industrial future Europe wants in 2040 will not be secured by ambition alone. It will depend on the decisions we make today about investment, technology, trade and regulation. We still have the industrial base to succeed – what we need is the political conditions to make that success possible.



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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 over €2,972 billion, manufacturing one-third of all European exports and providing over 11,9 million direct jobs. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.

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