

Joint Press Release

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FRANCE, ITALY AND GERMANY CALL TO FOSTER THE DEVELOPMENT OF GREEN AND DIGITAL TECHNOLOGIES TO ENHANCE EUROPEAN COMPETITIVENESS AND PRODUCTIVITY

Bruno Le Maire, France's Minister for Economy, Finance and Industrial and Digital Sovereignty, Robert Habeck, German Minister for Economic Affairs and Climate Action, and Adolfo Urso, Italian Minister of Enterprises and Made in Italy discussed today perspectives on the development of green and digital technologies to enhance technological leadership, productivity, competitiveness and economic growth in Europe, looking out the European Council's Strategic Agenda for 2024-2029. Representatives from the industry attended the meeting, located in Meudon at Hangar Y, and enriched the debate.

Against the backdrop of accelerating climate change and significant geopolitical challenges, including Russia's war of aggression against Ukraine, the European Union adopted with the Green Deal an unprecedented policy agenda to become the first climate-neutral continent in the world, build resilience, reduce strategic dependencies and improve European long-term competitiveness. As the European Union nears the end of the 2019-2024 cycle, the three Ministers built common understanding of the opportunities and challenges ahead, in particular those raised by the 'twin', green and digital transition.

While European economies have been lagging behind other major economies coming out of the pandemic Bruno Le Maire, Robert Habeck and Adolfo Urso recognised that urgent action is needed to unlock the technological and innovation potential of European firms. They agreed that EU industrial policy should combine a well-targeted support to strategic industries while fostering a high level of competition in the single market and reducing the bureaucratic burden. Such support shall help industrials, entrepreneurs, SMEs and researchers get access to the exceptional talents, research & innovation capacities, cutting-edge industrial equipment and state-of-the art processes they deserve. Europe must remain an industrial powerhouse.

The three ministers committed to continue to build on the Green Deal and the Green Deal Industrial Plan to achieve an ambitious growth agenda for the next five years in the EU for which the following points are crucial:

1. **Ambitiously eliminate unnecessary administrative burden to unleash the full potential of European businesses for investment, innovation and growth in Europe.**

- Ensure a stable and effective regulatory environment and to further **reform, simplify and fast-track EU administrative procedures** including for permitting as well as access to European financing programs and state aid, in particular for SMEs ;
- **Call on the Commission to deliver an ambitious simplification programme** eliminating overlapping regulation and reducing reporting obligations, primarily for SMEs and way beyond the Commission target of 25 %, based on a thorough assessment of the results of its “call for evidence” concerning the rationalisation of reporting requirements; call on the Commission to clarify rules, simplify or suppress rules that are obsolete or irrelevant; call on the launch of so called “reality checks” at European level in predetermined fields to identify unnecessary bureaucracy in a more targeted way ;
- **Support SMEs by strengthening the “SME test”** in impact assessments, **by taking into account inflation development in the financial thresholds of the SME-definition** and **by adding a new company category of small mid-caps (250 – 500 employees)** to extend the administrative exemptions already provided for SMEs.

2. **Boost private and public investment to strengthen innovation, productivity and competitiveness**

To make the twin transitions a success, both private and public investment will have to increase. This requires primarily an environment that is conducive to private investment. This should include:

- **Pursue a more ambitious agenda to achieve the Capital Markets Union**
- **Facilitate and accelerate procedures to approve state aid and improve the EU State aid framework** considering the possible prolongation of the transition chapters of the TCTF to provide a targeted support to companies in their transition process and to the most strategic industrial sectors :
- As securing the growth paths of tomorrow through pan-European cooperation in highly innovative technology is a political superpower, **actively pursue the Commission and Member States quest for new important projects of common European Interests (IPCEIs)**, especially in the context of the Joint European Forum for IPCEI ;
- **Strengthen EU funding for European public goods and infrastructures for digital and green transitions including cross-border when relevant.** The European Investment Bank (EIB) has a role to play with a view to supporting the necessary investments and helping to address critical challenges. By adding a broad mix of new own resources, we will first be able to reimburse Next Generation EU (NGEU) and should enable the EU to live up to the strongly increased expectations for common action; e.g. to fund innovation technological projects, especially for clean and net zero technologies, artificial intelligence from chips to computing capacity and large models, semiconductors, quantum, high-performance computing and cybersecurity ;
- **Accelerate the mobilization of private funding for deeptech and breakthrough innovations**, relying on the European Tech Champions Initiative and the European Innovation Council.

3. **Pursue the green and digital transitions further with a strong and resilient economic basis**

Following the Versailles declaration of March 2022, the Granada declaration of October 2023 highlighted that significant progress has been achieved in a record-time to reduce our dependencies, diversify and strengthen our economic base. They agreed to continue the work on the resilience and global long-term competitiveness of the European Union, making sure that the EU has all the necessary tools to secure sustainable and inclusive growth and global leadership in this crucial decade. In this spirit, the three Ministers recognised the relevance of the Antwerp Declaration in which European industry stakeholders promoted a European Industrial Deal.

- **Better enforce, deepen and strengthen the Single market** to reap the full benefits of European economic integration, ensuring common rules and strong supervision, as well as enforcement in particular for imported products, and making sure that the Single Market serves as guarantor for long-term competitiveness and as global standard-setter ;
- **Ensure effective competition in the single market and tackle properly structural competition problems** in the global context, in particular in sectors which have an international dimension and are of high importance for the overall EU economy. Ministers also advocate for effective merger control that prevents "killer acquisitions" with legal certainty and ask for a thorough implementation and monitoring of the Digital Markets Act ;
- **Bring security, sustainability and affordability of the energy sector supply as well as the efficiency of the internal energy market are crucial for industry.** Further steps need to be taken in this direction ;
- **Make full use of the European public procurement** to ensure that resilience and sustainability award criteria are systematically used.
- **Boost measures to strengthen EU resilience for key technologies, building inter alia on the list in the Net Zero Industry Act to foster decarbonization of our industry.** Anticipate future risks of dependency on emerging technologies, including quantum computing, semi-conductors, robotics, biotechnologies, space and aeronautics ;
- **Pursue an ambitious EU trade policy, based on openness and assertiveness** in order to promote diversification, resilience, social standards and sustainability.
Before expanding Carbon Border Adjustment Mechanism (CBAM) to indirect emissions, ensure that the decarbonization trajectory and competitiveness of energy-intensive industries notably exposed to international trade are not hampered and CBAM can fully prevent carbon leakage ;
- **Secure further the supply of critical and strategic raw materials,** inter alia by fostering coordinated purchases, recycling and circularity, cross-investments and practices sharing between European countries ;
- **Step up investment in security and defence to support joint resilience.** The EU needs to strengthen our capability to design and produce the EU defence goods we need.

Bruno Le Maire, Minister of the Economy, Finance, and Industrial and Digital Sovereignty :

« These trilateral meetings on European industrial policy between our three countries are effective and producing concrete results. Europe needs to rediscover its economic strength, its ability to take risks and innovate, and the prosperity of its citizens. If we are to succeed, we urgently need to define a European economic strategy. One of the main pillars of this strategy is simplification and the reduction of red tape. Standards are expensive. We have agreed today to eliminate unnecessary administrative burdens and release the full potential of European businesses. We have also confirmed the need to guarantee a fair competitive framework for our companies, in the face of China and the United States. These are strong positions that we will defend together during the next European term of office. »

Dr. Habeck Federal Minister for Economic Affairs and Climate Action :

"We need to boost European competitiveness. In order to unleash the economic power of companies it is essential to eliminate unnecessary administrative burden and speed up authorisation procedures without sacrificing necessary protection standards. Innovative technologies such as biotechnology and green technologies in wind, solar and transformation industries are key to economic growth, climate neutrality and our technological sovereignty in the near future and therefore need a favourable investment environment. Our exchange also underlined the need for greater European synergies in our defence industries, which is crucial in my view."

Adolfo Urso, Minister of Enterprises and Made in Italy :

« Amidst the swiftly shifting geopolitical risks, the strategic partnership among Italy, France, and Germany emerges as pivotal in propelling economic security, competitiveness, innovation and sustainability across the EU. We affirm our steadfast commitment to bolstering small and medium-sized enterprises (SMEs) and simplifying regulatory frameworks to stimulate growth in the green and digital sectors. At the heart of our collaborative endeavors lies the consolidation of financial resources at the European level, driving forward technological breakthroughs and reinforcing the economic bedrock of our region. Furthermore, we acknowledge the paramount importance of securing strategic autonomy in key sectors, such as green technologies and steel sector, even as we confront global challenges, and advancing environmental and health protection standards coherently with internationally recognized norms and guidelines. »

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