



# A RENEWED EUROPE: INNOVATION IN TECHNOLOGY INDUSTRIES

SPECIAL REPORT | 4 - 11 FEB. 2019  
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In the context of the EU's Industry Days on 5-6 February, EURACTIV talks to industry leaders, high-ranking political officials and representatives from civil society about the future challenges of the bloc's industrial sector.

Following President Juncker's 2017 pledge to transform the EU's industries and become "world leaders in innovation, digitisation and decarbonisation," we examine how innovation and technology could help transform the industry, how the EU can take long-term global leadership in the field, and how the bloc will be able to set global standards to address the societal challenges of our time.

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# A future vision for EU industry

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In his 2017 State of the Union to the European Parliament, European Commission President Jean-Claude Juncker introduced a new Industrial Policy Strategy. Its aim, he said, was to help the EU's industries become "world leaders in innovation, digitisation and decarbonisation."

Two years later, as we approach the conclusion of the Juncker Commission, have the EU's industries managed to take centre stage in the wider global economy? With the EU elections taking place in May and a new Commission towards the end of the year, along with political instability hitting the bloc and challenges arising from populism and nationalism, how

well will EU industry cope?

The EU's Industry Days taking place this week aim to examine the key industrial questions affecting Europe, from sustainability to digitalisation, from investment to globalisation, and essentially, whether Juncker's pledge in 2017 ever came to fruition, in the context of Europe's standing in the world today.

## LONG-TERM STRATEGY

On Monday (4 February), Orgalim published their Vision 2030 strategy, calling for the EU to step up its game in a number of sectors, with particular attention to fostering innovative technologies across the bloc's

industries.

Vision 2030 comprises a series of imperatives that they believe "will determine whether or not the potential of Europe's technology industries to help reinvigorate the European way can be realised."

"I don't think you can fulfil a promise like that [Juncker's in 2017] in a year or two," Malte Lohan, Director General at Orgalim, told EURACTIV.

"For us, the issue is strategic – the EU is entering an uncertain period, and this is the same for the industrial sector," he added.

"It's not fair to judge Juncker after a period of only two years. We need a

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long-term strategy.”

Orgalim advocate for a three-pronged approach for an EU industrial vision for the future: Ensuring that technological innovation is at the centre of Europe's industries, that the EU can lead the rest of the world with long-term global leadership, and that the bloc is able to set global standards to address the societal challenges of our time.

Industry has a well-established and respected standing in the EU. According to the Commission, the sector has been witness to a 60% productivity growth, and accounts for two million enterprises and thirty-three million jobs.

At the same time, new and burgeoning technologies are set to transform the EU's industrial sector: with the onset of robotics, 3D printing, Internet of Things (IoT) devices, big data and more, there is ample scope for industry on the continent to take full advantage of the coming technological revolution, which, as estimates put it, could inject over €100 billion in annual revenue to the European economy over the next five years.

In terms of digitisation, the EU faces tough competition from abroad, and small and medium sized businesses have often found themselves caught up in a global trade hustle between East and West.

#### FOURTH INDUSTRIAL REVOLUTION

However, the Commission have started to make ground in the pursuit of what they call the ‘Fourth Industrial Revolution.’ In April 2016, the EU launched the Digitising European Industry initiative (DEI), which comprised five areas of importance that would assist the EU's future technological advances in the industrial sector.

The measures put forward in 2016 featured initiatives such as boosting investments through strategic partnerships and networks, as well as moving towards a more harmonised collaboration in national initiatives for the digitisation of industry.

Priority areas for the digitalisation of industry were also put forward – including the comprehensive rolling out of 5G communication network and effective cybersecurity legislation.

“The industrial revolution of our time is digital,” Vice-President for the Digital Single Market Andrus Ansip said on announcement of the Digital Industry Initiative.

“As companies aim to scale up across the Single Market, public e-services should also meet today's needs: be digital, open and cross-border by design. The EU is the right scale for the digital times.”

The 2016 measures put aside €50 billion worth of investment for the digitisation of industry. Moreover, Horizon 2020, the EU's Research and Innovation programme covering the years 2014 to 2020, sought to broaden out from the digitisation of the industry, to focus on areas such as Leadership in enabling and industrial technologies (LEIT), such as Key Enabling Technologies (KET), with the aim of boosting competitiveness, creating jobs and supporting growth.

Meanwhile, Orgalim's Vision 2030 states that that putting innovation at the centre of the EU's industrial strategy is vital to ensuring that the above benchmarks are met in the long-term.

Vision 2030 says that appropriate investments into innovative technologies must be pursued to their full so as to allow the EU to complete on the global stage, leadership should be taken in identifying long-term objectives, and societal challenges should be used as drivers of prosperity, rather than obstacles to growth.

“Our ambition is to shape a sustainable and long-term future,”

Lohan said. “We don't believe that it is necessarily about prioritising one area over another. If we want to become more sustainable as a continent then we need to ensure that our innovations are able to reach their peak.”

“Our goal is straightforward: we want to advance the objectives of the community by giving our industry the best possible opportunity to prosper globally,” he added.

## INTERVIEW

# Katainen: Innovation needed to address climate issues

By Samuel Stolton | EURACTIV.com



Jyrki Katainen  
[Photo: EPA-EFE/STEPHANIE LECOCQ]

During a week in which the European Commission hosts the 2019 EU Industry Days, a series of conferences that examine key industrial challenges, EURACTIV sat down with Vice-President Jyrki Katainen to find out how far the EU's industries have come since 2014.

*Jyrki Katainen is vice-president of the European Commission for Jobs, Growth, Investment and Competitiveness, as well as a former prime minister of Finland.*

He spoke to EURACTIV's Samuel Stolton.

**How would you value the industrial policy strategy carried out by the present Commission? Do you see Europe's industry in a better shape than in 2014?**

Of course the hard work we've put in needs to continue into the future. I would say that the EU's industry is in better shape now due to the fact that investments have started to pick

up. This has allowed us to reinforce our industrial sectors to improve our standing on the world stage.

For example, without our robust industrial sector we wouldn't have been able to sign up to the recent EU-Japan free trade deal, which is a great achievement for us.

**That's all well and good but isn't it true that investment levels are still below pre-crisis levels?**

This is true, we're still a bit below pre-crisis levels, but we're going in the right direction.

**The EU is under political, geopolitical and economic pressure both at the domestic and international level, all of that risks undermining investment and innovation in Europe. Are you concerned about what that means for the future of Europe's competitiveness? On which strengths should the EU base its strategy?**

Of course this is a testing time for Europe, but also a time of great opportunity. We have so many things to be excited about.

For the EU, the two biggest drivers of economic growth in the coming years will be the Circular Economy package and the work we're doing in

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the field of Artificial Intelligence. In our Circular Economy objectives, we will distinguish ourselves as a global force in the pursuance of Sustainable Development Goals.

Moreover, in our European approach to Artificial Intelligence, we are encouraging uptake of the technology in both the private and public sector with appropriate investment frameworks, whilst also taking into account the necessary ethical and legal considerations that will need to be at the forefront of policy as the onset of AI becomes an ever-closer reality.

**Your own country, Finland, has recently embarked on an ambitious plan to train 1% of its population in the fundamentals of Artificial Intelligence. Could this be a future model for research, development and training programmes across the EU?**

It could indeed be a model. The University of Helsinki has set up a fully open course called "Elements AI". The country really wants to invest in people's understanding of the technology. Alongside this, the ministry of economy and labour has set up a special group for AI strategy.

AI literacy is important because it will increase productivity and it will change the way we do business, allowing people to become more resilient in the jobs marketplace. Not only that, AI can improve people's health, access to public services. We have to take care that no-one is left behind. Education here is important.

**How can you ensure that Digital Europe's nine billion outlay will go towards projects that enable EU citizens to be more mobile in the digital jobs market?**

Part of the outlay will go into digital infrastructure investments and

the Commission wants to make sure that a portion of the budget will go into bettering the digital skills of the EU's workforce.

High skills technical experts in analytics, cybersecurity and AI are among the most in demand workers across the bloc. Our member states cannot provide enough skilled people. Getting people trained up is really important to meet these demands.

**A recently published strategy paper by a leading EU trade association, Orgalim, advocates for strong interactions in pushing technological developments and answering societal needs (notably climate change, environmental pressure and demographic unbalances). What do you think of this vision? Is this a good way to enhance Europe's competitiveness?**

Certainly. We cannot address climate issues without technological developments. The innovations are needed. Innovation is important to social justice and environmental goals and tech are at the core of everything that we do.

**EU achievements (notably the Internal Market, trade policy), have contributed to the global success of European industry. Do you see or would you expect industry playing a more prominent role in promoting them?**

Sure. The reason why the EU is successful is because we have a single market and we have made great leaps in trade agreements with third countries. The EU is the first test market for new innovations.

**The EU faces several challenges linked to the economic imbalances among EU members, notably – but not limited – in terms of access to jobs. In that context, you said recently referring to the Greek government that "trust is like oxygen – you notice it only when it is running out". How can a future Commission**

**ensure that citizens across the bloc's less resilient economic areas are given good access to jobs as well as the confidence that the EU's tech industry can compete on the global stage?**

I think we should ask the people on the ground, in the factories. I have tried to encourage investments, which gives people courage. So hopefully, this would increase the overall trust in societies.

One area in which I believe we have made great progress is in improving the overall awareness of environmental issues, which are thought about much more now than before. The Circular economy has reinforced peoples' trust in that growth can also be sustainable.

Of course, people across the continent have always been concerned that the impact of growth on wider civilisation could have negative ramifications. With the EU's innovative approaches to industry and more creative modes of production, we are able to show people that growth can be sustainable in the long-term.

# EU's future global industry leadership

By Samuel Stolton | EURACTIV.com



[Orgalim]

for example, has a notoriously protectionist market strategy for technology goods, with global players in the industry kept at the outer edges of the domestic market.

## US-CHINA DISPUTE OPPORTUNITY

The ongoing US-China trade war that began in 2018 was the subject of further warnings on Tuesday (5 February), after a UN report said Washington's plans to raise tariffs on Chinese goods in March could have significant ramifications for the global economy.

However, the dispute could also help the EU establish itself in a market heretofore closed off. Tuesday's UN report states in no uncertain terms: "One effect of the United States and China tensions is to make suppliers in the rest of the world more competitive relative to US and Chinese firms."

The biggest areas set to 'benefit' from the trade war include the industrial machinery sector, where estimates show that of the approximately \$33 billion of various machinery that United States imports from China, "about 27 billion would be diverted to third countries."

In addition, the UN calculates that as a result of the tariffs, "European Union exports are those likely to increase the most, capturing about \$70 billion of the United States-China bilateral trade."

As a result, if the new costs were to come into force, access to the Chinese market could be improved for Europe's

Addressing the Industry Days conference on Tuesday (5 February), European Commission President Jean-Claude Juncker highlighted the importance of ensuring that the EU stays at the forefront of developments in economy and society, if it is to lead the way in the global industrial marketplace.

"Our economy is transforming before our eyes and the world around us is changing faster than ever. And if Europe is to succeed, it cannot afford to fight that transformation," he said.

"Rather, it must be the first to adapt to it, the first to shape it. And I believe our industry can lead the way."

And it is an economy in a transformative state. With more than 11 million jobs in the technology

industry and growth at 5% in the sector for 2017, within the right policy framework, the EU's tech industry has the opportunity to take advantage of this momentum.

## CROSS-BORDER TRADE

On Tuesday, Juncker also drew attention to the recent EU-Japan trade deal, which is being highlighted as a game changer in the bloc's ability to open up global markets.

The deal, which was brokered on Friday (1 February), "will open a new marketplace home to 635 million people and a third of the world's GDP," saving European companies €1 billion in duties every year.

However, not all markets are as accessible as they could be. China,

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industrial sectors.

Speaking in the context of the current US-China trade war, Chairman of the European Round Table of Industrialists, Carl-Henric Svanberg, said on Tuesday the speed by which Chinese and American industries are able to get products to market is a significant benefit, and also a competitive disadvantage for the EU's tech industries, who often lag behind in this respect.

As such, EU expansion into wider global markets doesn't depend only on there being opportunities for market access. Rather, there has to be the infrastructure and capacity of EU industry to respond to new demands with haste.

Moreover, in the context of the current trade dispute, the EU distinguishes itself with its commitment to values and principles, Svanberg said.

"China's strong growth has led, rightly or wrongly, to America backing off...and Europe is in the middle at risk of being squeezed between these two powers."

"If America backs off, we [EU] are standing here with our values, our open democracy and human rights, and we need to stand up for these things," he said.

"Sustainability...is an area where we can take the lead. We can show leadership and it's an industry where the growth rates are double digit."

Arancha Gonzales, executive director of the International Trade Centre, agrees. She said the strength of EU leadership in trade depends on the bloc's dedication to principles and values, which are regarded by many as an attractive asset.

"Strength in today's world is fundamentally about two things. One is whether or not you insert values in what you do, and two is whether or not you have a long-term view," she said.

"The good news, in my view, is that

Europe has this value-based economic system. The Chinese are also starting to understand that they need to put 'values' into their economy."

### LONG-TERM LEADERSHIP

Nonetheless, Gonzalez issued a stark warning. The fate of the EU's industries, she noted, would depend on the bloc's ability to substantiate a long-term strategy.

"The bad news," she continued, "is that the Chinese have a long-term game, and Europe is still operating in the short-term game."

"If Europe wants to prepare to be strong for the future, it has to take a little bit more of this medium to long term view," she added.

A leading EU trade organisation has recently recognised this need for industrial visions to be focussed on the long-term.

Orgalim, a body representing the bloc's technology industries, published their Vision 2030 on Monday (4 February), in which they advocate for, amongst other things, strengthening industries in a global context by safeguarding the long-term leadership of Europe's industries.

The longevity of EU industry amid testing times will be bolstered not only by funding programmes – of which Horizon Europe is one, planning to put aside €100 billion to foster industrial competitiveness and implement sustainable development goals throughout the EU – but also by an atmosphere of trust and confidence in the internal market.

"The Single Market allows businesses all over Europe to work together to create and market new products free from customs and technical barriers," Juncker said on Tuesday. "It helps bring down costs, improve the quality of materials and give customers wider choice."

The European Council have consistently called for a deepening of the single market, allowing for a

greater degree of harmonisation and a level playing field in standards.

A resilient single market is indeed one that is further deepened. But in industry, levels of innovation differ wildly across the bloc, resulting in a lack of confidence that undermines the EU's leadership as a bloc of nations.

The Commission's 2018 European Innovation Scoreboard, which assesses the levels of innovation of EU members in comparison with global competitors, shows a wide disparity across member states.

Sweden is ranked as the most innovative member state, followed by Denmark, Finland, the Netherlands, the United Kingdom, and Luxembourg. Germany drops down the list, while at the bottom sit nations such as Romania and Bulgaria.

It is disparities such as these that have the potential to compromise the benefits that industry across the EU can garner from a unified internal market.

Juncker's comments on the rapidity of economic and technological change call for a commitment to ensuring that a harmonised single market is able to equip itself for the future challenges and opportunities created by geopolitical instabilities.

Access to markets can be improved amid this climate, and the EU's global leadership in the field, bolstered by a resilient and harmonised single market, can take centre stage in an increasingly competitive world, should Europe manage to "adapt and shape" the future of the industry, as Juncker says.

# Driving EU industry: Standing up to societal challenges

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By Samuel Stolton | EURACTIV.com



In late January, the EU Commissioner for Climate Action Miguel Arias Cañete delivered a speech as part of a Post-COP24 High Level Debate, in which he drew attention to the bloc's 2030 climate and energy goals, and the EU's role in the global fight against climate change.

"Cementing the EU's global climate leadership," Cañete said, would be dependent on the Council and Parliament playing their role in ensuring that the EU's 2030 green objectives are met.

Such long-term targets include

making at least 40% cuts in greenhouse gas emission, establishing at least a 27% share for renewable energy, and making a 27% improvement in energy efficiency.

These 2030 objectives are complemented by a more recent pledge, the 2050 long-term strategy, in which the EU presented its vision for a "competitive and climate-neutral economy by 2050," and one that is in line with Paris Agreement targets to keep the global temperature increase to below 2 degrees.

"With this level of ambition, we can help drive innovation, and the EU

can continue to show leadership to the rest of the world in the fight against global warming," Cañete said.

## INNOVATION

Finding innovative solutions to the challenges brought up in the fight against climate change can vitalise EU industry and offer the bloc a competitive advantage in the fight against global issues.

A recent initiative in Lithuania is an example of this in practice, after

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the Commission approved state aid provisions to support the production of electricity from renewable energy sources in line with EU environmental objectives, ensuring the competitiveness of energy-intensive users and industries.

Developing innovative solutions to societal issues is a perspective recently rallied for by the EU tech industry trade association, Orgalim, who represent 44 associations across 23 different countries across the bloc.

In their recently published strategy paper, Vision 2030, they call for EU technology companies to remain “at the forefront of the development and delivery of clean technologies and systems,” as a means to meet wider environmental goals.

Commission President Juncker is on the same level. During his keynote speech as part of the Industry Days conference on Tuesday (5 February), he highlighted the importance of industry innovation pursuing climate goals.

“The future of Europe’s industry will depend on its ability to adapt by investing in new technologies and embracing the digital and ecological transitions. This is why when it comes to industry we have put our money where our mouth is,” he said.

“A quarter of our budget will support our clean energy, climate and sustainable development targets.”

## CIRCULAR ECONOMY

Standards in sustainability will also come by way of the change in the culture of the EU’s methods of production.

The Commission’s bid to transform the EU’s productive landscape into more of a circular economy model is a clear example of the ways in which the bloc’s industries will have to conceive of creative ways in which to meet new challenges.

The notion of a Circular Economy is that materials in a product’s life cycle are maintained for as long as possible, reducing waste. When an item comes to the end of its life cycle, various elements of the products are used again to create further value.

Circularity, if one is to follow the UN’s sustainable development goals, is about “doing more and better with less,” a concept that will encourage industry firms across the continent to develop clever, innovative applications with new forms of technologies.

One recent example of Europe’s transition towards a circular economy is the establishment of the Circular Plastics Alliance, announced by the Commission in December. The Alliance comprises key industry stakeholders and regulators and attempts to explore methods by which the materials can be recycled more efficiently, across the full plastics value chain.

The project is regarded as a significant element in pursuance of the targets set out in the 2018 European Strategy for Plastics, which aims to make recycling profitable, put an end to sea littering, drive investment, and develop international standards worldwide by becoming a global leader in the fight against plastic pollution.

## AGENTS OF CHANGE

Policymakers in Brussels see the need to support industry in pursuance of environmental goals. Horizon 2020 has provided funding across research and development, while 5.5 billion euros in cohesion funds have been put aside to improve waste management across Europe.

In terms of policy support, in addition to the Circular Plastics Alliance, there is the Bioeconomy Strategy, which aims to explore alternatives to fossil resources, and the Bio-Based Industries Joint Undertaking (BBI JU), a public-private

partnership supporting the EU’s bio-based industrial sector.

One such success story of the BBI JU is the FRESH initiatives, which aims to tackle the issue of non-biodegradable food packaging by developing GMO-free material that is fully biodegradable.

The coordinator of the project, Steve Davey, of Huhtamaki Molded Fiber Technology in the Netherlands, revealed the innovative methods by which industry had put to practice in producing the packaging.

“At the base of the FRESH innovation is a natural cellulose-based material derived from wood mixed with a plant-derived polyester,” he told the Commission’s Horizon 2020 magazine.

“We then use a new lamination technology to add on a new generation plant-based biofilm. Our process delivers a non-fossil packaging material with all the technical properties a high-end, ready meal tray needs.”

Moreover, Davey understands that such innovative answers to the tough social and environmental questions of our day will not, of course, be concentrated solely to the food packaging industry.

On the contrary, the FRESH project was a means of trialling the technology to analyse its impact more widely across European industrial sectors.

“We wanted to focus on a very particular application to prove the technology,” Davey said. “When we succeed then of course further research could expand.”

## SUSTAINABLE BUILDINGS

Consumer products are of course only one area in which the industry can evolve to face pressing societal issues. Another area is in the building and housing sector, responsible for around 40% of energy consumption

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and 36% of CO<sub>2</sub> emissions in the EU.

A report published by the European Environment Agency on Tuesday (4 February) warned that the “health of Europe’s most vulnerable citizens remains disproportionately affected” by a range of hazards including pollution and extreme temperatures.

The revised Energy Performance of Buildings Directive, which came into force in 2018, includes measures that attempt to boost the rate of building renovation towards more energy efficient systems and improve the energy performance of new buildings.

One method by which the technology sector is meeting the challenges set out by the legislation is to embark on ambitious investment commitments designed to support the burgeoning smart housing market.

Smart homes comprise integrated platforms where interoperable devices operate intuitively and automatically,

with the essential aim of reducing high energy expenditures in the market. Connected software within the home is able to respond to the needs of consumers based on real-time interactions that lead to learning lifestyle patterns.

The onset of smart housing, accelerated by a financial instrument approved by the European Investment Bank in 2018, the Smart Finance for Smart Building Initiative, poses exciting opportunities. The funds pledged by the EIB are estimated to support up to 220,000 new jobs as well as help to establish a renovation market for small businesses worth up to €120 billion.

One of the greatest advantages to EU industry in the rolling out of smart housing, are the new opportunities to work alongside consumers in providing solutions to market demand. With a considerably expanded data pool, business can now use Internet of Things (IoT) devices

in the smart home to offer tailored solutions to consumers.

With the financial support offered up by EU institutions, sustainable and connected buildings can offer solutions both to environmental goals, while at the same time, driving demand across technological industries to meet growing consumer trends in an increasingly socially responsible world.

Cañete’s reference to the EU’s “global climate leadership” earlier this year will come by way of innovative industry solutions to global societal problems.

With the appropriate investment programmes and policy frameworks, the EU’s tech industries will be able to take responsibility in the clean energy transition, enabling the EU, as Cañete says, to “show leadership to the rest of the world in the fight against global warming.”

# Europe: An industrial society of the future

By Samuel Stolton | EURACTIV.com



[Orgalim]

“As of today, the United States will cease all implementation of the non-binding Paris Accord and the draconian financial and economic burdens the agreement imposes on our country.”

These were the words of US President Donald Trump on 1 June 2017, as he announced his country’s withdrawal from the Paris Agreement, the accord that aims to limit global warming to temperatures well below 2°C.

More recently, in December 2018, the Trump administration entered the

debate on the ‘Yellow vests’ movement, stating that the protests across France were a direct result of the “fatally flawed” Paris Agreement goals.

In addition, Brazil’s new President Jair Bolsonaro has previously threatened to pull out of the Paris Agreement targets, and Philippines President Rodrigo Duterte called the climate deal “absurd” before later signing up to the plans.

In the EU, the rise of Germany’s far-right AfD has concerned many environmental campaigners, because the party believes climate change to be a hoax.

Along this axis, the polls for May’s European Election are predicting a heavy swing to the right, with groups across the continent cut from the same cloth as Germany’s AfD estimated to be some of the biggest winners.

If this is to be the case, policymakers in the European Parliament, at least, are likely to be less concerned with the global problems that the Paris targets aim to appease: rising temperatures worldwide, heavy pollution of metropolitan centres across the EU, a poor recycling track record, and mass

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littering of Europe's seas.

Amid this context, the responsibility for pursuing long-term sustainable goals falls upon those in the wider community who can stake a claim in the climate debate. One such player is Europe's tech industry, who made their intentions clear during last week's Industry Days conference in Brussels.

"It is not what Europe can do for industry, but what industry can do for Europe," Malte Lohan, director-general of Orgalim, a leading EU trade association, said on stage during the conference.

"The challenges are broad and far-ranging," he said. "How do we address the issue of climate change in a resource-constrained world, how do we adapt to changing demographics – people living and working longer, how do we reinvigorate our citizens' belief in the European project?"

The Industry Days conference brought together a host of high-level

policymakers and key stakeholders in business and manufacturing to discuss the sector's position in a rapidly changing world, in pursuance of answers to the questions such as these.

And policymakers do acknowledge the need for innovation to happen in a sector which has transformed itself dramatically since the onset of a free market strategy in the latter half of the twentieth century.

Commission President Jean-Claude Juncker reflected on this change during a more personal insight as part of his keynote speech at Industry Days:

"The steel plant was the heart and soul of our local community in the deep south of Luxembourg," he said. "What I saw growing up still shapes the way I see the world today."

"Of course, industry today looks very, very different. Technologies have changed, ways of working are different. Climate change poses as many major challenges as it does opportunities for European companies to take the lead globally. But ultimately, Europe is still

an industrial society – both at heart and in practice."

In bygone days in which industrial steelworks were common over the continent, Europe's industrial clout was supported by a diligent and willing workforce. Today, for Europe to truly be considered an industrial society, innovation in the technologies that can assist in achieving productivity targets in line with wider sustainable goals, become the earmarks for success.

Last week, during Orgalim's panel at the EU's Industry Days conference, in which the subject of Artificial Intelligence (AI) was discussed, some participants drew attention to the fact that many remain suspicious of AI and its use in the industry.

Radu Surdeanu, senior director for the digital economy at Siemens, said that AI is fundamentally misunderstood by many in the industry. He implored stakeholders "to not act out of fear for AI."

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In this context, Lucilla Sioli, director for digital industry at the European Commission's DG Connect, said that for AI to be demystified, it needs to be "brought closer to reality" and that would require the consideration of a code of standards in order to regulate the use of these technologies in the workplace.

In 2018, the Commission established a High-Level Expert Group on Artificial Intelligence, consisting of 52 independent experts from academia, industry, and civil society. In December, the group put forward the first draft AI ethics guidelines, which looked into a broad range of issues and challenges for the future, including privacy and personal data protection, consumer protection, liability, and non-discrimination.

While industry doesn't scream out for harsher regulatory frameworks in the future roll-out of AI across the continent, discussions on the sidelines of last week's Industry Days praised

recent EU legislative efforts as giving the bloc a competitive advantage against global competitors.

For example, Orgalim's Lohan cited the example of how the General Data Protection Regulation has allowed the EU to stand out as a leader in privacy law in the wider marketplace.

Laurent Zibell, policy adviser at IndustriAll Europe believes that AI, in particular, has the potential to substantially boost output.

"One of the most stand-out benefits to AI will be the opportunity to increase yields in industrial processes," he said.

Future benefits that will come as a result of increased innovation across EU industry will be extensive, and will not benefit only firms themselves. Should the EU meet its 2050 climate goals of becoming a "competitive and climate-neutral economy" then benefits will be seen across civilisations the world over.

If EU industries are able to fulfil a social purpose, it will be achieved by way of the appropriate investment into innovative technologies such

as AI, which allow for greater levels of efficiency and less reliance on industrial processes that harm the environment.

Immediately after Juncker's recollection of his father's career as a steelworker, the Commission chief spoke about the importance of the European Pillar of Social Rights and the necessity of "equipping people with the right skills in the changing world of work."

If Europe is to truly become an industrial society of the future, then it is in this vein that they will be able to do so.

Not only do burgeoning technologies and sustainable goals need to become a central tenet of its policy agenda, but trust in the efficacy of the European project must also be prioritised, by guaranteeing jobs and high standards in the workplace and ensuring that nobody is left behind by the coming revolution of Europe's technology industries.



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