



Opening speech by President von der Leyen at the EU Industry Days 2021

Brussels, 23 February 2021

Ladies and gentlemen,

Dear friends,

This is the first time I have the honour to open the European Industry Days. So allow me to spend a few words on what industry means to me, and what I have learnt from people like you. Through the years, I have seen the passion and the dedication that you put in your daily work. And I have seen small family businesses reinventing themselves, and becoming global innovation leaders.

I remember, for example, a visit to a family-owned textile factory when I was a Minister in Germany. The owner could explain to me how every machine worked, and he knew the personal story of most of his workers. When the pandemic hit, that same company converted its production lines and started making face masks. And at the same time, they have adopted the latest environmental standards, because this is what European customers expect from you today.

This is the world of European industries. A world of old traditions and constant innovation. This is what makes Europe a global leader in so many fields. From automotive to agri-food, or for example from pharma to fashion. All across the world, 'made in Europe' means top quality. And beyond our traditional strengths, we are leading the global race for innovation in a number of fields. Europe is for example the global leader in green innovation.

Since the beginning of the century, we have produced over 60,000 high-value green inventions. This is more than any other global power, and six times more than China. One fourth of industrial robots in the world are produced in Europe. We are global leaders for collaborative robots – that is, robots that do not replace workers on the production line, but enhance their skills. This is the kind of innovation that will keep Europe competitive in today's world.

Today I would like to talk about what we are doing to accelerate the recovery and make Europe even more competitive. My first point: learning the lessons of this crisis. The pandemic has led to an unprecedented disruption of our Single Market. Queues of trucks formed at our internal borders. Exports of vital products from one Member State to the other were prohibited or restricted. And cross-border workers sometimes got stuck in a limbo. This should never happen again.

Since the beginning of the pandemic, we took a number of measures to address these disruptions. For instance, we succeeded in having 30 export restrictions lifted. Or we created the green lanes at our border crossings, and coordinated national measures on border controls together with the Member States. If we all follow these rules, we can slow down the spread of the virus without damaging our economy.

But to be prepared for future crises, we need to look beyond these ad hoc measures. We need to have a structural solution in place. This is why we are working on a Single Market Emergency Instrument. It will ensure the free movement of goods, services and people, with greater transparency and coordination. And it will fast-track decisions, whenever a critical situation emerges. The Single Market makes Europe strong. So we must preserve it and make it work, in all circumstances, especially when we need it the most.

Another lesson we have learnt is our dependency on certain raw materials sourced from only a handful of producers. And Thierry Breton just mentioned it. Sometimes these producers are exclusively from abroad. This is particularly evident now that we need to produce billions of doses of mRNA vaccines. One of the current bottlenecks is linked to just two synthetic molecules: If we had just 250 grammes more of these molecules, companies say, they could produce one million more doses of vaccine.

But it is not just that. Green and digital technologies currently depend on a number of scarce raw materials. We import lithium for electric cars, platinum to produce clean hydrogen, silicon metal for

solar panels. 98% of the rare earth elements we need come from a single supplier: China. This is not sustainable. So we must diversify our supply chains. And at the same time, we must invest in circular technologies that re-use resources instead of constantly extracting them. This is the goal of our Action Plan on Critical Raw Materials. This is why we have proposed to create a European Raw Materials Alliance.

As we speak, we are working to update our Industry Strategy. If you remember, we had presented this in March last year – just days before Europe went into lockdown. Although much has changed since then – our ambitions have not. Our Strategy is still designed to ensure that industry can lead the twin green and digital transition. But what has changed is both the speed and the scale of this transformation. And we need to make sure that our industry does not only keep pace with that change – but it should also drive it.

However, in the world where those transitions will happen, the world will not be the same as it was last March. In the last year, we have seen geopolitics and the model of global competition challenged in a way we have not seen for generations. We have seen, for example, supply chains disrupted and dependencies exposed. We have seen some industries suffer and others thrive thanks to a new model of cross-sector and public-private partnerships. And we are now seeing the start of a global race to recovery across the world which will define the next decade.

All of this plays into the thinking behind both the updated Industry Strategy and the adapted competition framework. The work on this continues but allow me to highlight some of the main opportunities. In the course of history, wars and pandemics have shaped our societies and economies. Take the Spanish flu a century ago. It caused great human and economic suffering. But it was followed by a great expansion of growth, innovation and tech transition – also known as the 'Roaring Twenties'.

Our ambition is to make sure we have that same period of tech growth and innovation. To achieve this, Europe needs to harness the potential of the digital transition and make industry a key player in that. This requires significant public and private investment.

With NextGenerationEU we have a historic opportunity to provide the public funding. But we have to make the right choices. For example, we need to invest into European high-speed internet infrastructure to bring Gigabit internet to every factory in Europe to support industrial automation where needed or to help SMEs use tech to speed up production, cut costs and reach new markets.

And we have to think bigger than we did before. Take cloud-technology. We are developing a European cloud modelled on Gaia-X. And we have made it a flagship programme under NextGenerationEU. A project of this nature is not just about funds. It also comes with a rulebook on the use and storage of data. It is about setting the principles how to store safely, share and access the huge amount of data that is out there. This should be the starting point for innovative, energy-efficient solutions – decentralised and serving the needs of people, and those of the planet.

These are some of the projects, which can drive industrial innovation and the digital transition. And we also know that this tech will drive the decarbonisation of our economy. It can help create new markets for low-emission technologies and support energy-intensive industries with the innovation they need for this transition. And this is what is behind NextGenerationEU.

But we also know that public investment cannot work miracles on its own. So the question is: How can we give you, private investors, the confidence you need to invest in a new technology, new production processes, on the new skills for your workforce? I believe the answer has to do with setting clear, predictable and common rules for all European countries.

This is the third strand of our action. And we are already taking big strides on a rulebook for green investment and sustainable finance. We have put forward a taxonomy for green investment and a green bond standard. And in the coming months, we will present more detailed rules to help you finance the transition towards carbon neutrality, so that investors can take fully informed decisions.

Ladies and Gentlemen,

In these months, as we have fought the virus, we have explored new ways of working with European industries. Back in March, textile and shoe industries started telling us they wanted to produce face masks and gowns. So we allowed them to download – for free – the technical information on a number of European standards for personal protective equipment.

Or another example: Since last summer, we have used Advance Purchase Agreements to incentivise vaccine manufacturers to step up their production capacity. And we worked with industries to address the bottlenecks in the supply of raw materials for example. I want to build on this experience. I believe we should move from crisis mode to a new cruising speed of cooperation with European industries.

And this is my final point. Building new and agile alliances where the public sector joins forces with industry. This kind of cooperation is already proving to be incredibly powerful in some sectors. For example, our Battery Alliance makes a very good story. Europe will need more and more batteries, to reach our goal of climate neutrality. The European market for batteries will be worth EUR 250 billion already in 2025. But Europe still relies massively on batteries that are entirely or partially made abroad, often with environmental standards that lack our ambition.

This is where the European Battery Alliance comes into play. The Alliance has brought together over 500 industries, research centres and investors. The European institutions have put on the table substantial resources, and so have our Member States. Less than a month ago, we approved almost EUR 3 billion in new public investment. And in parallel, you have helped us develop new rules on battery technology. Thanks to the Alliance, the most innovative, long-lasting and clean batteries for electric cars will soon be 'made in Europe'. And this common investment in batteries could create one million new jobs already by the end of next year.

So I want Europe to invest in this approach – building new alliances and partnerships with the private sector. I mentioned the Raw Materials Alliance. Or our Clean Hydrogen Alliance is also taking its first steps. And the same logic has led us to launch a Pact for Skills. In these months of pandemic, millions of European workers saw their workplace change before their eyes. They had to learn how to work remotely. And businesses of all kinds had to move part of their operations online.

The Pact is an offer for cooperation with European industries, but also with trade unions, chambers of commerce and employment agencies. Let us invest together. Let us join forces so that as many workers as possible have the skills they need to succeed in an evolving labour market. If we get this right, the green and the digital transitions will benefit not only young professionals in the most cutting-edge businesses, that is ok, but also workers of all ages, in all industries and all European regions.

This is how Europe should always work. We should not just work for our industry, but with our industry. And this is why the Industry Days are so important. We are here to work together. We are here to discuss the way forward for example for our Pact for Skills. We are here to chart the future of our alliances. We are here to find out how we can make the most of NextGenerationEU.

We need your ideas, your passion and your dedication. And in sum, a very warm welcome to the 2021 European Industry Days.

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