



ORGALIME

*Perspectives for the EU,
the euro and globalisation*

FEINE 2014 - ZARAGOZA



ORGALIME

38 Member associations, 23 countries

130,000 companies, €1,840 billion of annual output, 10.3 million people employed

National Associations

Austria

FEEI
FMMI



Belgium

AGORIA



Bulgaria

BASSEL



Denmark

DI



Finland

Fed. of Finnish Technology Industries



France

FIEEC
FIM



Germany

VDMA
WSM
ZVEI



Wirtschaftsverband Stahl- und Metallverarbeitung e.V.



Great Britain

BEAMA
EAMA
GAMBICA



Hungary

MAGEOSZ



Ireland

IEEF



Latvia

MASOC



Lithuania

LINPRA



Italy

ANIE
ANIMA



Luxembourg

ILTM



The Netherlands

FME-CWM
METAALUNIE



Norway

Norsk Industri



Poland

PIGE



Portugal

AIMMAP
ANEME



Slovenia

GZS-MPIA



Spain

CONFEMETAL
SERCUBE



Switzerland

SWISSMEM



Sweden

TEKNIKFÖRETAGEN



Associate Members

Croatia

Croatian Chamber of
Economy
HUP -CEA



Sector Associations

CEIR

EFCEM

EGMF

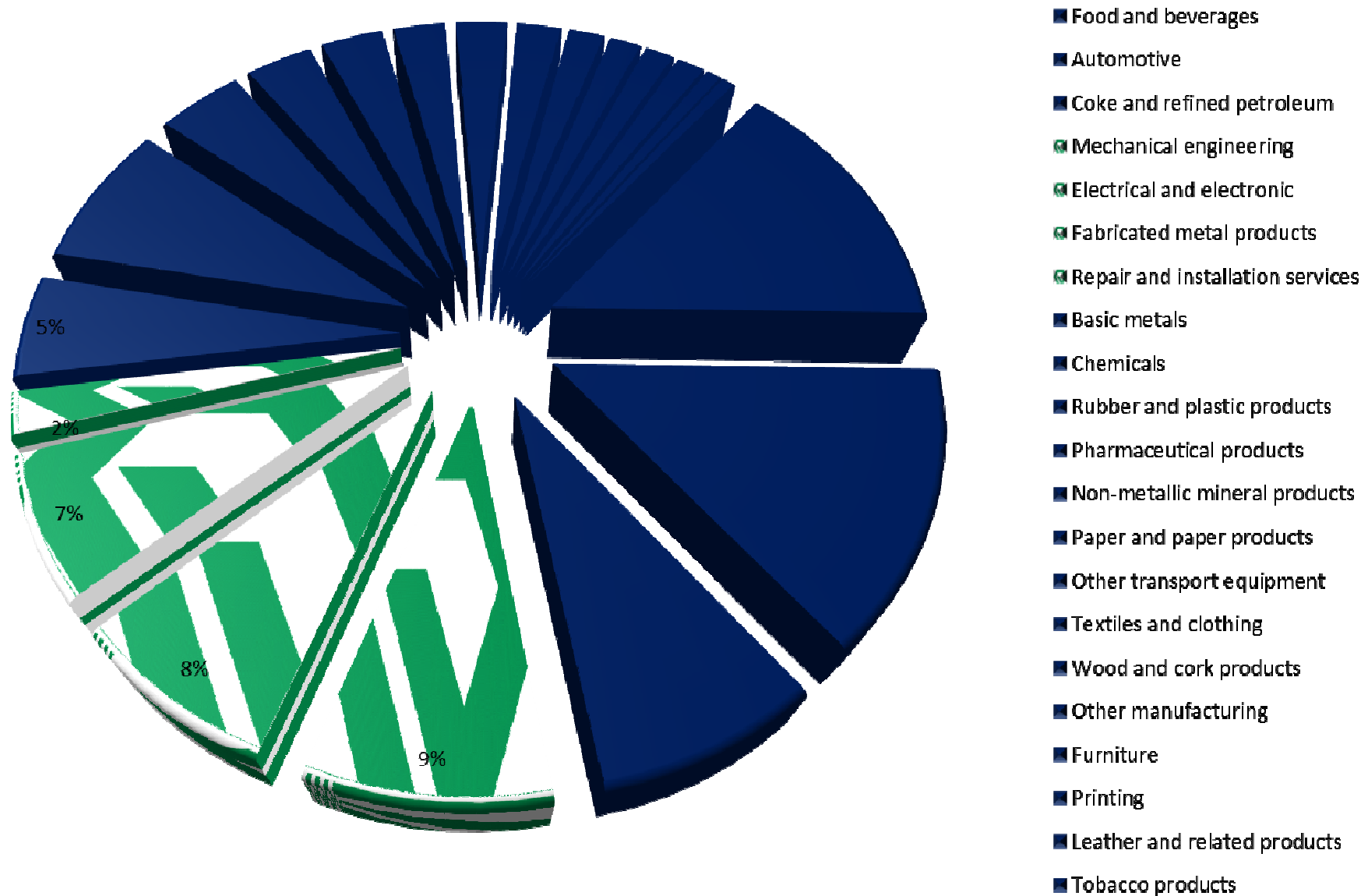
EUROPUMP



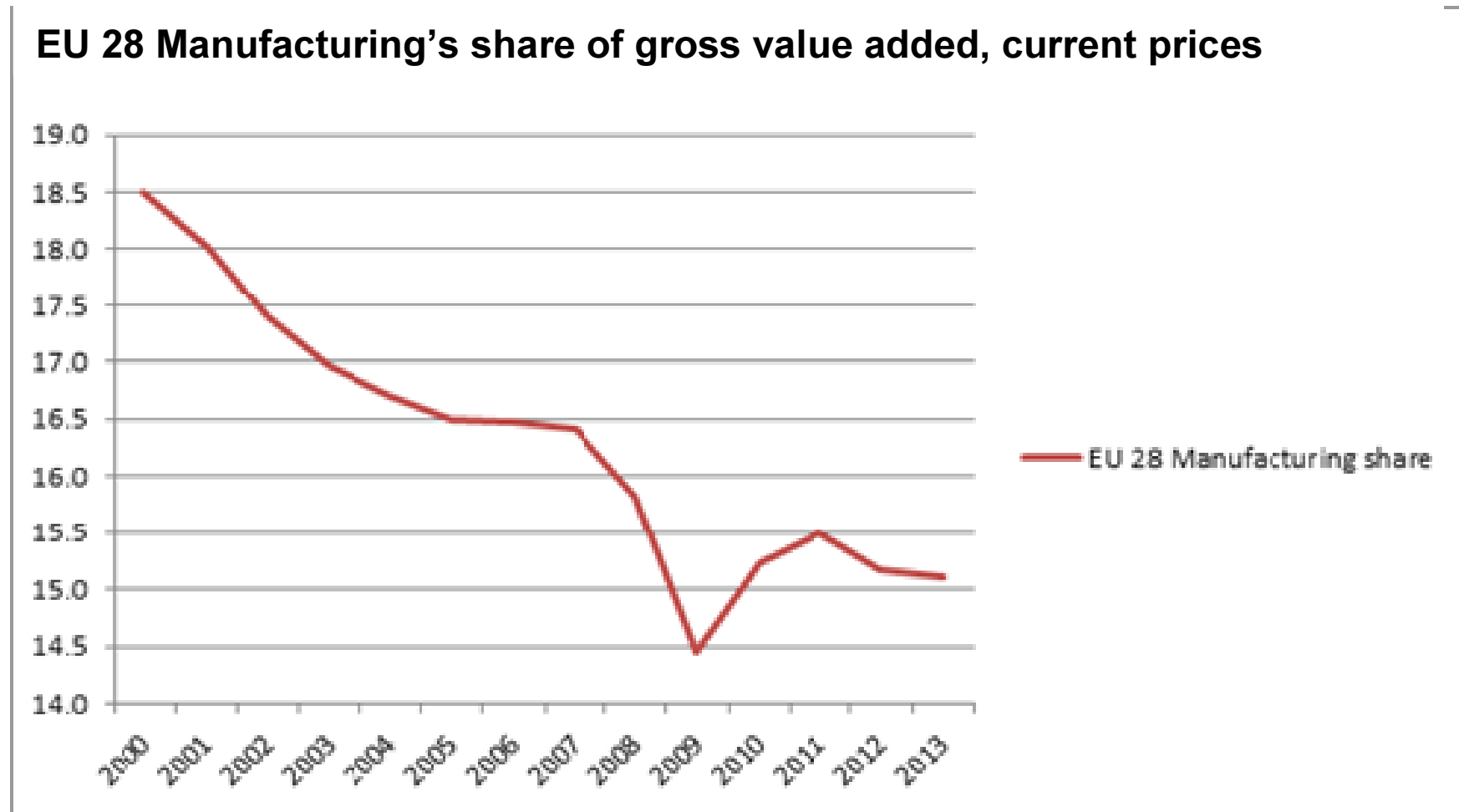


European Manufacturing Production

Orgalime - 28% - capital goods industry



EU manufacturing needs to find its place again in the internal market



Source: European Commission

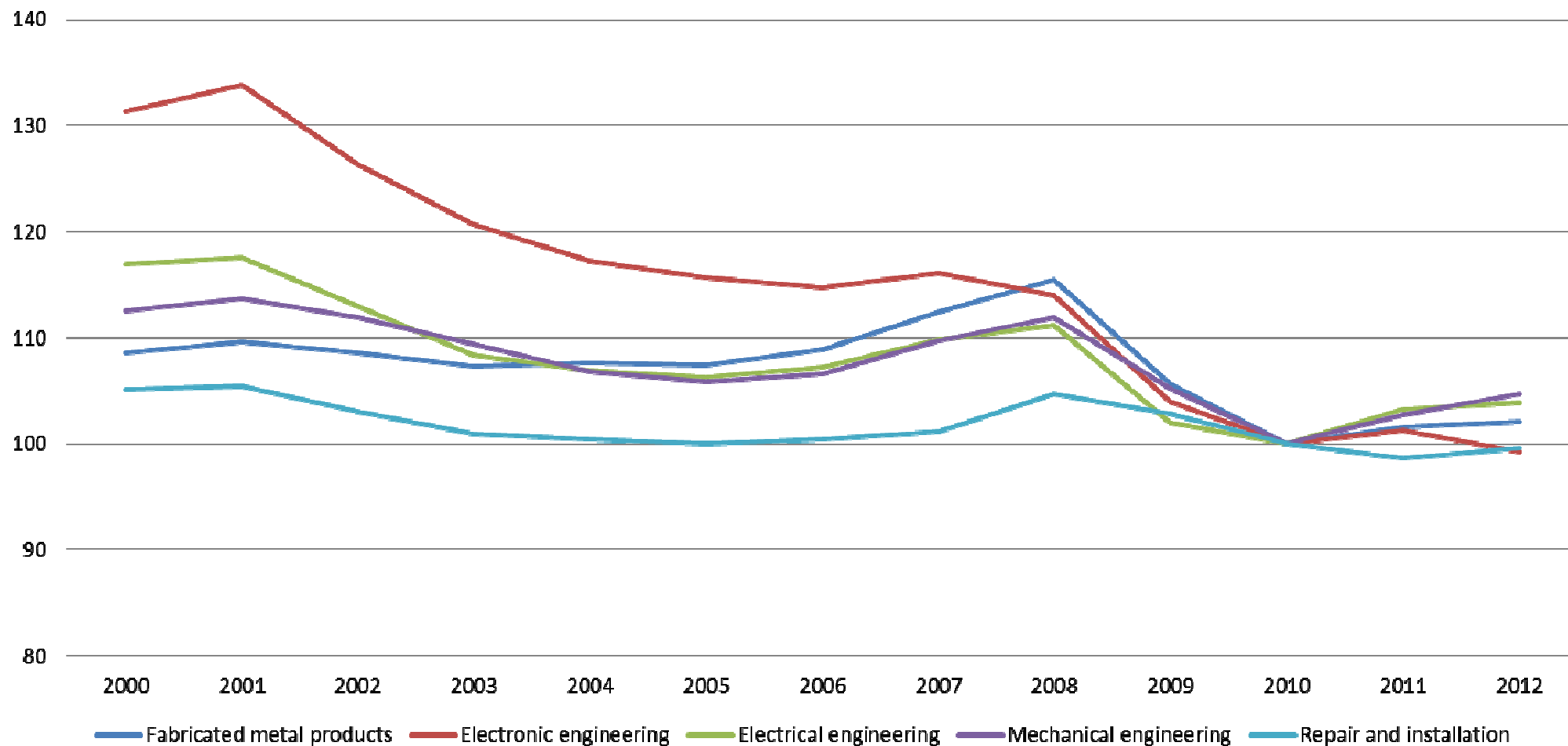


And the Orgalime industry?

Annual change of production volume in European Engineering Industries

SECTOR / YEAR	2012	2013 (estimate)	2014 (forecast)
Mechanical engineering	+0,4	-2,0	3,0
Electrical, ICT, Instrument Engineering	-2,1	-2,1	2,0
Fabricated metal goods	-3,2	-1,5	2,0
Total European engineering	-1,2	-1,7	+2,5
Employment including repair and installation services	+0,6	-0,6	+0,2

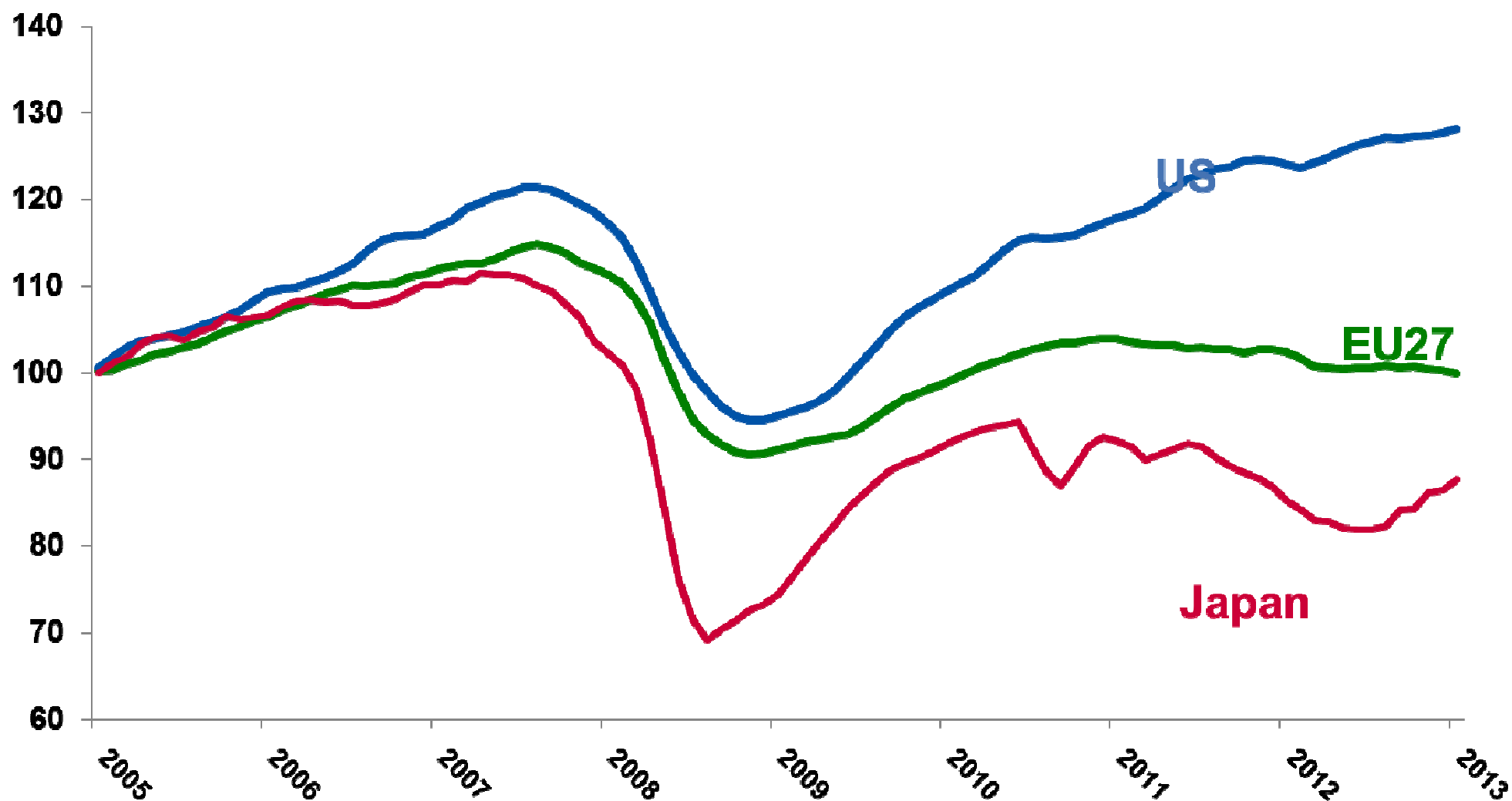
Employment (2010=100)





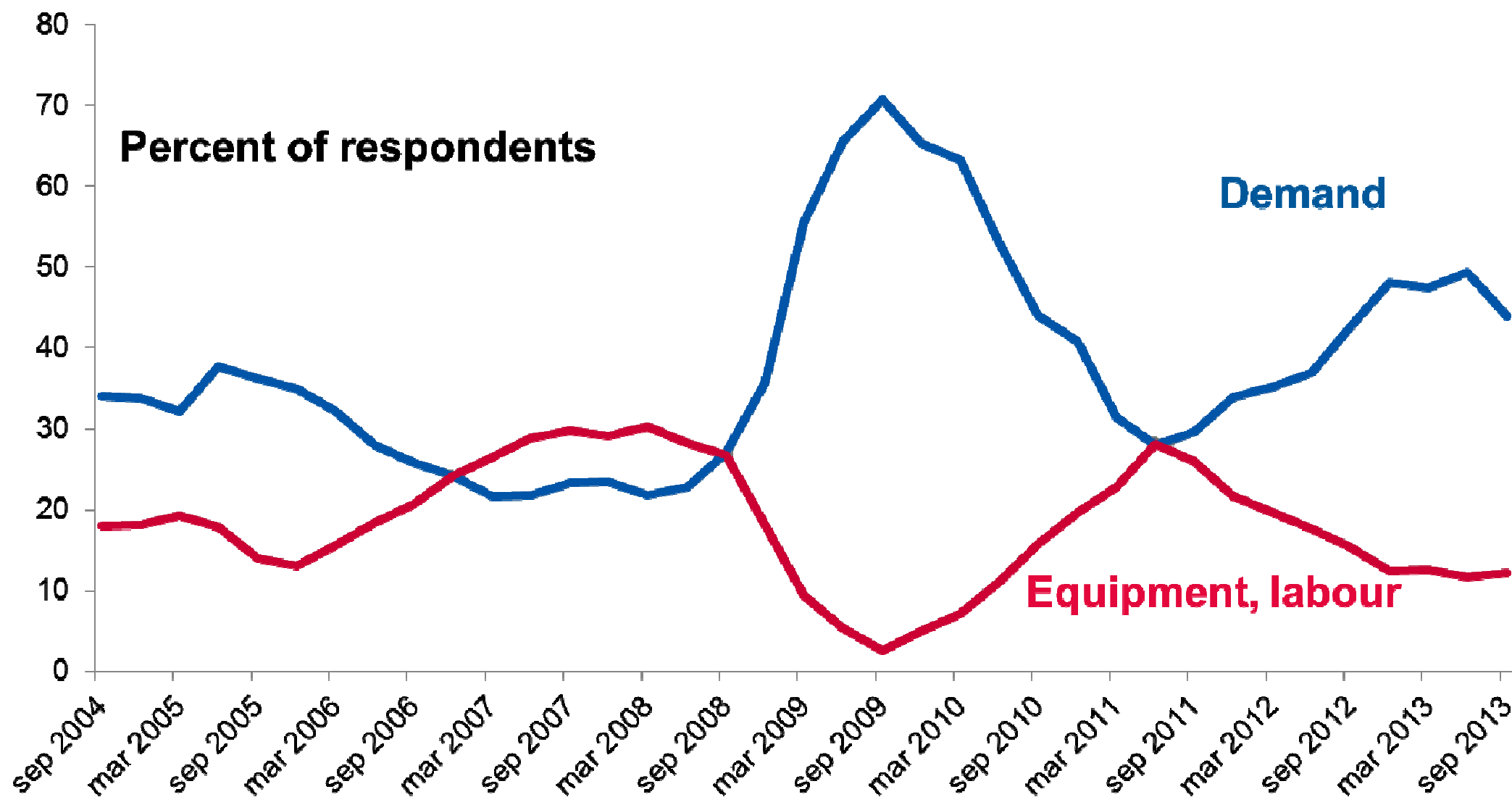
EU – US – Japan

Level of Production (overall Orgalime)



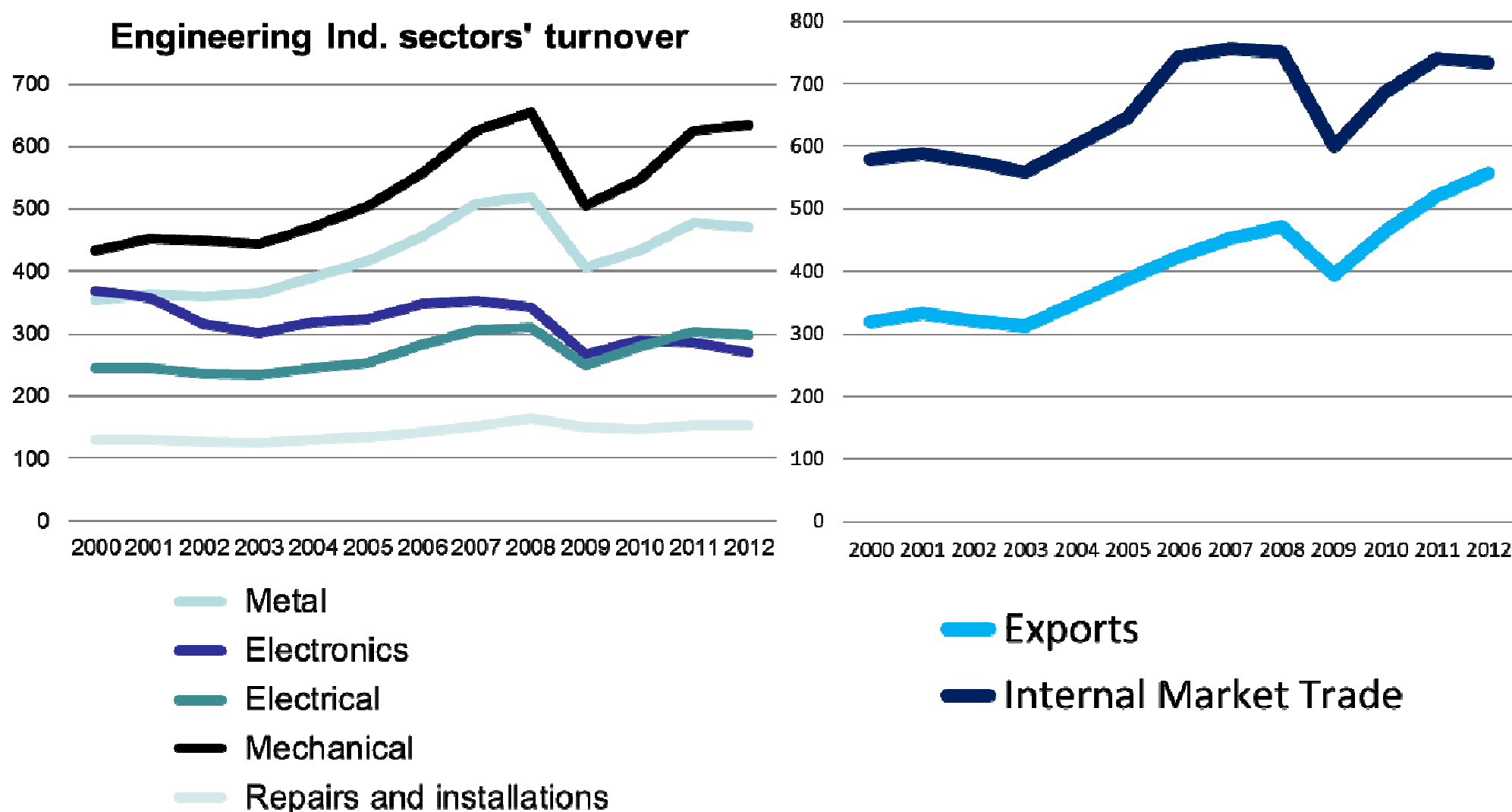
Source: National statistics seasonally adjusted. Metal goods, Machinery, Electrical engineering, Telecom, Instruments, Repair and installation (or equivalent in US and Japan)

Factors limiting expansion Orgalime industry





Export driven growth is our strength and depends on innovation





Innovation?

- Our companies are at the heart of innovation through the technologies, equipment and systems which they develop and produce - we are the top in many technology areas
- However, many technologies developed in the EU are brought onto the market elsewhere world

Why ?

- Growth is stronger elsewhere than in the EU
- Framework conditions in the EU are not favourable enough to manufacturing investment
- European markets and customers have limited trust in new technologies
- There is resistance in internal/ international markets



Innovation & the internal market

- We need these to stay at the forefront of the digitalisation of advanced manufacturing technologies and systems and to lead the process of the digitalisation of the economy
- We need to develop further the potential of manufacturing related services
- We need these to master urbanisation and mobility challenges
- We need to master the energy equation: energy production and distribution, energy security and energy efficiency
- So we need modern infrastructures (ICT, transport and energy)
- We have the technologies – we need the markets here first



Innovation & external markets

- Globalisation is an opportunity for our industry: we are the producers of capital goods and we are also part of global value chains
- The opportunities are there in many developing markets and exports are our industry's life blood – more and more
- In the absence of a WTO agreement, we are believers in bilateral free trade agreements.
- When dealing with mature economies, such as the US and Japan, neither side can expect that they will be able to demand a radical change in the other's regulatory framework: this demands a change in approach and long term work
- We need to ensure that foreign direct investment is facilitated and that robust trade governance structures are developed

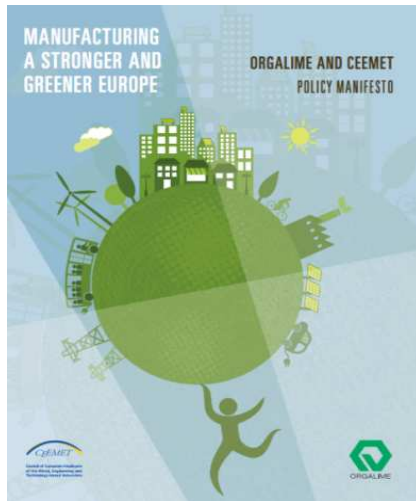
And the Euro?

- Core thinking from our industry: we are a globalised industry with global value chains, innovative and quality products: global investment and open markets are a more significant factor for our industry than monetary policies.
- The loss of market shares at global level can only partially be attributed to the "expensive" euro which impacts different countries in the zone differently.
- At times, those not in the euro benefited from their freedom, but this is not sustainable in the long run
- Policies other than monetary policy impact our industry and the attractiveness of the EU for manufacturing investment much more



Attracting manufacturing investment?

Orgalime views



- Coherent and predictable regulation
- Efficient functioning of the internal market
- Modern infrastructures (ICT, energy, etc...)
- R&D funding targeted to industry needs
- Finance: reduction of tax burden and better access
- Balanced energy policy with ambitious but coherent targets: energy efficiency a must
- Need to address the skills shortages and competence deficits
- Competitive labour markets
- Open world markets including for raw materials



European Summit - March 2014: the right Conclusions?

- Industrial competitiveness to be “systematically mainstreamed across all policy areas” with focus on stable and predictable legislation – but no lead target
- Future of industry in so called “Key Enabling Technologies” and “Cleantech”
- Better integration in global value chains
- Skills: science, technology, engineering, mathematics, international trade
- Energy:
 - Better interconnectivity (new target) and better infrastructure
 - Energy efficiency: backbone for less dependence

Conclusions

- Europe needs to seriously change its vision and approach:
 - European Council : another step in the right direction
 - Europe as an idea is becoming unpopular in many countries: this is a pity
 - Today the main “societal challenge” needs to be redefined: jobs and growth must be the real focus and this passes through manufacturing investment
 - We need one industrial vision for Europe where all policy areas contribute to the competitiveness of manufacturing industry and manufacturing investment (industrial policy, R&D, energy, environment,...)
 - Continuous regulatory change must be replaced by agreed long term targets and predictability which companies can manage and progressively adapt to
 - Our politicians say they have understood and they want to help. Now they must show it and whether this is a success will be very visible in terms of jobs and growth and Europe’s future
- We as manufacturers:
 - Are pro-Europe
 - Must help to drive this vision, not only being critical, but constructive and willing to work in real partnership





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