EARTO Welcomes the Update of 2020 New EU Industrial Strategy: Towards Europe's Open Strategic Technology Autonomy

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EARTO very much welcomes the European Commission's update of the new EU industrial Strategy to take into the account the learnings of the COVID-19 Pandemic in its new Communication. Based on the last Communication on "A New Industrial Strategy for Europe" rightly focusing on EU industrial ecosystems and technology leadership, the new Communication acknowledges the issues discussed with the newly established Industrial Forum to which EARTO actively contributes.

In the European Commission's Communication, EARTO especially welcomes:

- **The monitoring announced on the industrial trends and competitiveness** as Europe needs to analyse and address strategic technological and industrial dependencies together. In its monitoring, the EC will now pay **extra attention to R&D investments, based on public and private R&D expenditure as % of GDP**, investing in RD&I to build EU industrial competitiveness being the best form of investment to boost EU open strategic autonomy. EARTO hereby stresses the need to monitor the type of RD&I investments made focusing especially on those linked to technology capabilities and technology infrastructures, data which are desperately missing today (See EARTO Paper).

- **The plans to set an EU open strategic autonomy in practice by analyzing Europe's challenges and dependencies in key advanced technologies necessary for the green and digital transitions,** as already done for cloud and microelectronics. Some disruptions caused by the pandemic indeed caught Europe by surprise, showing the **need for a better understanding of where our strategic dependencies lie in accessing key advanced technologies**. The development of in-depth reviews of potential dependencies in technologies key to the twin transition will require the EC to tap in the capabilities of RTOs in EU (i.e. foresight & in-depth knowledge of technologies). EARTO offers its members' support in setting up a proper monitoring system through both the EC Observatory of Critical Technologies and the periodic review process to cover current dependencies as well as risks of future technological dependencies.

- **The building of a toolbox to reduce and prevent strategic dependencies** as well as the **co-creation of green and digital transition pathways for relevant ecosystems.** Both will indeed **require setting up new agile forms of public-private partnership**. New ways of cooperation between private and public RD&I actors like RTOs are needed to accelerate the delivery of innovative solutions that would not be achieved otherwise. In this context a set of EU instruments will be key. The **industrial alliances**, if they effectively build upon the upcoming **Horizon Europe's public-private partnerships**, will provide the broad and open platforms to establish strategic industrial technology roadmaps and organise an efficient coordination of RD&I investment plans for technologies in specific industrial ecosystems. Further efforts should be concentrated using the new **industrial technology roadmaps** announced in the EC Communication on the European Research Area as well as the ones to be developed under the Action Plan on Synergies between civil, defence and space industries. In addition, the EU should clearly be promoting to **Member States in joining forces in multi-country projects via their Recovery and Resilience Plans (RRPs) to build digital and green critical technological capabilities**. To have a real impact on Europe's technology capabilities, **both the ERA industrial technology roadmaps and the national RRPs will have to jointly include clear targeted investments in technology infrastructures** (e.g. hydrogen, microelectronics, cloud, quantum, etc.). In this context, **co-designing the new European Strategy for Technology Infrastructures (TIs) jointly with relevant stakeholders** as announced in the EC Communication on the European Research Area including TIs' providers (RTOs and Technical Universities who manage and host those TIs) and industrial users will be most relevant (see EARTO paper on TIs). Example of specific support to TIs for Digital Innovation Hubs can be found under the Europe Digital Programme with the Testing & Experimenting Facilities (TEFs) targeting AI technology capabilities.

- **The continuous EC support to Member States' efforts to pool public resources via Important Projects of Common European Interest (IPCEIs)** in areas like microelectronics where the market alone cannot deliver breakthrough innovation. IPCEIs will further support the setting up of new agile forms of public-private partnership.

- **The current review of the EU competition rules.** As noted in EARTO Recommendations for EU RD&I Policies post-2020, ensuring a sound implementation of EU State aid rules avoiding over-interpretations at national level will be key (on SAR for RD&I, see the latest EC DG JRC Study and EARTO report on State Aid). Europe also needs a strong European Intellectual Property (IP) regime adopting a balanced approach between Open Science and IPR policy at EU and national/regional level (see EARTO paper on Open Science & IPR). Furthermore, as stated by the EC Communication, global leadership in technologies goes hand-in-hand with leadership in standard-setting and ensuring interoperability. RTOs are very active on behalf of their national governments in EU & international standardisation efforts. The EC should use their knowledge to set up the future EU strategy on standardisation.

- **The development of the guidance on how to use public procurement effectively to strengthen the resilience of key ecosystems. This guidance should be completed by negotiating a derogation with the World Trade Organisation's Government Procurement Agreement (WTO GPA) Committee on public procurement of R&I**. Such negotiation should aim to exclude the procurement of the goods resulting from successful RD&I for the small businesses (commercialisation phase) from the scope of the WTO GPA to have the same rules as those negotiated by the US (See EARTO Paper).

- **The ongoing creation of the Renewed Sustainable Finance Strategy.** It will be key to promote RD&I investments in green technologies.

- **The upcoming common e-form for the declaration of the posting of workers**. EARTO already mentioned earlier the difficulties rising for RTOs from some of the national implementation of the EC Directive on this subject (See EARTO Paper).

Those actions are essential to achieve the European Commission's ambitious EU Industrial Strategy for Europe. As key actors in the European innovation-driven strategic industrial value-chains, RTOs will be essential to carry out those actions. EARTO and its members are ready to further support the European Commission for the efficient implementation of this New Industrial Strategy.

RTOs - Research and Technology Organisations: *From the lab to your everyday life. RTOs innovate to improve your health and well-being, your safety and security, your mobility and connectivity. RTOs' technologies cover all scientific fields. Their work ranges from basic research to new products and services development. RTOs are non-profit organisations with public missions to support society. To do so, they closely cooperate with industries, large and small, as well as a wide array of public actors.*

EARTO - European Association of Research and Technology Organisations: *Founded in 1999, EARTO promotes RTOs and represents their interest in Europe. EARTO network counts over 350 RTOs in more than 20 countries. EARTO members represent 150.000 highly-skilled researchers and engineers managing a wide range of innovation infrastructures.*