

Commissioner Thierry Breton  
European Commission  
Rue de la Loi / Wetstraat 200  
1049 Brussels/Belgium

2<sup>nd</sup> October 2020

Subject: MANUFACTURING EUROPE Initiative for European Recovery from COVID-19

Dear Commissioner Thierry Breton:

On 21<sup>st</sup> July 2020, the EU leaders agreed on an ambitious plan to repair the economic damage caused by the coronavirus pandemic. “Next Generation EU” firstly aims primarily at kick-starting the economy and protecting employment. In addition to short-term economic and social aid however, the recovery plan has the strategic objective make Europe’s Economy green, digital and resilient. We, the three main organisations dedicated to manufacturing innovation, welcome the ambition of the Next Generation EU recovery instrument.

Europe’s two million and more manufacturing companies are the backbone of its Economy. In 2018, they provided more than 14% of the European GDP while employing 32,9 million people directly and additional millions through complementary jobs. Europe is a leader in manufacturing and the origin of the new industrial digitalisation paradigm, Industry 4.0. Societies across the world seek the prosperity and jobs that are created by a successful manufacturing industry and compete for it fiercely. Europe needs both disruptive and incremental innovation to increase the competitiveness of manufacturing and strengthen its resilience. The COVID-19 pandemic has shown the importance of a resilient and strong European manufacturing industry, which is able to produce important parts and products, without strongly depending on global supply chains.

European manufacturing industry is facing several major challenges simultaneously: demographic changes, rapid technological progress, increasingly varying consumer demands, scarcity of raw materials and environmental concerns as well as fierce global competition which overuses commoditization, monopolistic and even dumping approaches. Digitalization and emerging technologies bear a huge potential to increase competitiveness, innovation and sustainability, yet Europe’s manufacturers, especially SMEs, are often struggling implement such solutions in a useful manner.

Even if it might not seem so at first glance, the design and manufacturing of future “long-life” eco-friendly products is the enabler of the circular economy, since 80% of a product’s environmental impact are determined at the product and process development stage. Manufacturing is focusing on zero-waste technologies and closing of material loops supporting circular and eco-friendly approaches.

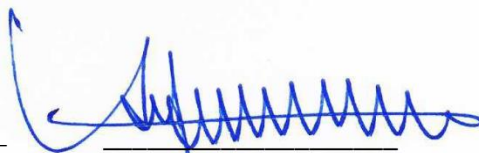
For the coming years manufacturing R&D is urgently needed to enable the next generation of innovation-based manufacturing companies to emerge, while providing existing industries with strong support for disruptive and incremental innovation, as well as for highly needed upscaled skills and training. If we play the cards right, the challenges ahead of us could be exploited to strengthen Europe’s lead in manufacturing innovation.

We urge European and national and regional public authorities to ensure that the money foreseen in the Next Generation EU recovery instrument and in the Recovery and Resilience Facility is well spent, by dedicating a substantial share to sustainable and digital Manufacturing, complementing and reinforcing the existing and future European programmes and initiatives, such as Made in Europe and EIT Manufacturing.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'M. Gattiglio'.

Maurizio Gattiglio  
Chairman of the MANUFUTURE HLG

A handwritten signature in blue ink, appearing to read 'J. Menezes'.

Joaquim Menezes  
Chairman of EFFRA

A handwritten signature in blue ink, appearing to read 'K. Beetz'.

Klaus Beetz  
CEO EIT Manufacturing

Who we are:

MANUFUTURE ETP is the European Technology Platform for Future Manufacturing Technologies

EFFRA is the European Factories of the Future Research Association, an industry-driven association promoting the development of new and innovative production technologies.

EIT Manufacturing is an Innovation Community within the European Institute of Innovation & Technology (EIT) – that connects the leading manufacturing actors in Europe.