

## **Fostering innovation-led recovery and sustainable growth in the EU**

Europe and the industry enabling Europe's welfare, must become climate neutral, digital and resource efficient, and take global leadership in the transformations. The pandemic has made these objectives set in the EU's Industrial and Digital strategies published in early 2020, even more relevant. The green transition and digital transformation are the two pillars on which the economic recovery and the sustainable growth in the EU should rest. Technology Industries of Finland believes that the EU and the industry should now focus on the following key elements:

### **Enabling businesses to continue operations smoothly in the EU and globally**

Co-ordination is vital to ensure a joint ambition, co-operation and a safe opening of Europe. Ensuring smooth border control practices and mobility of employees, workers and goods in the EU and globally and removing trade barriers are prerequisites for the recovery.

The EU should facilitate the development of a decentralized European approach for deployment of interoperable digital applications for tracing the contagion chains by bringing together at an early stage active businesses and other stakeholders involved in developing these applications.

### **Boosting public and private investments**

The Member States and the EU institutions must urgently find an agreement on the multiannual financial framework (MFF) for 2021 – 2027 and the Recovery Fund to speed up the economic recovery and leverage private investments

The competitive edge of Europe is built on state-of-the-art research and innovation activity. The Member States must wake up and foster the long-term benefit of Europe by allocating considerably more both EU and national funds to innovation and digitalisation. It is essential to target grant funding to businesses to share the risks of ambitious investments in research and innovation on emerging technologies and new business models.

The "trillion euro" Green Deal investment programme must start quickly. Finnish industry is well prepared to provide solutions towards carbon neutrality as well as to digital transformation. We will soon present our low-carbon road map as an incentive the EC is asking for.

### **Completing the Digital Single Market: Fit for a safe and prosperous digital future**

Technology Industries of Finland strongly supports the EC's proposals to deepen and improve the functioning of the Single Market and particularly its digitalization. Speeding up the digital transformation requires increased investments in digital infrastructures, cybersecurity, emerging technologies and overall digital capabilities of businesses and public organisations as well as standardisation and regulation that foster innovation. People's skills must be updated at pace with the digitalisation of work.

Availability and utilisation of data, as well as development and deployment of AI solutions, automation and robotics are crucial. An appropriate and safe framework and infrastructure for access, sharing and use of data is a prerequisite for all sectors of the digital economy. These must stem from companies' needs and networks - ideally by scaling up existing solutions.

The EC has already proposed a number of actions that must be given a high priority such as launching of common European data spaces [e.g. in Health, Energy, Manufacturing and Mobility]



that should be accompanied with soft law approach on contract practices, the legislative proposal for an EU single window to allow for fully digital clearance process at the border, the action plan on the Customs Union, and Digital Service Act.

### **Making the EU and the European industry a trendsetter in the transition to carbon neutrality**

The EC's proposal for the first European Climate Law is the first step to implement the European Green Deal. EU pathways to low-carbon or even zero-emission energy production and industrial processes should proceed concurrently in all Member States. European electricity production and markets must be transformed into low carbon, smart and flexible. The EU should also aim at global carbon pricing with mechanisms compatible with WTO rules.

Europe is a leader in renewable energy and green technologies and ideally placed to build the world's most advanced energy infrastructure and to implement resource efficient, low carbon industrial roadmaps. Investments in local grids and smart energy distribution systems, cross-border and off-shore grids and energy storage capacity, deployment of green and digital technologies, and circular economy will create opportunities for exporting high valued-added solutions and bring jobs across the value chains, from raw materials, to manufacturing, construction and services.

Engaging industry in the development of EU strategies on clean steel, sustainable and smart mobility, heating and built environment will create a solid foundation for public and private investments, innovation ecosystems and sustainable growth.

### **Foster co-creation and leadership through industrial ecosystems, strategic value networks and alliances**

The Covid-19 pandemic has demonstrated the need to strengthen the EU's autonomy in areas such as medicines, health technologies, raw materials and cybersecurity while acknowledging that global industrial value chains and research networks require strengthening as well.

Finnish industry welcomes and shall join the European industrial ecosystems and alliances proposed by the EC in areas such as Batteries; Cybersecurity; IIoT in Manufacturing; Raw Materials; Low Carbon and Hydrogen Technologies; Autonomous Mobility; and Smart Health. The EC must speed up this process by targeting funds also at the development and orchestration of ambitious, industry-driven ecosystems and value-networks. The Industrial Forum could function as a sounding board for the identification and monitoring the outcome and impact of the value networks and industrial ecosystems.

### **A strong global outlook and simple and effective taxation procedures**

The EU must use its economic power boldly to ensure fair competition and rule-based level playing field in all markets and to strive to ensure a reciprocity of market access and access to public procurement for EU companies through trade and investment agreements.

Making taxation procedures simple and effective using digitalisation will enhance international trade of SMEs and make the Single Market more functional and appealing business environment. Global corporate income taxation rules should be pursued, not EU-specific taxes. The plans by the Commission to make taxation simple and easy could lead to notable savings, especially in using digital tools for taxation.