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## Europe needs a medium- and long-term industrial strategy

The European elections held in the last week of May were only the first stage of a broader renewal of EU institutions that will be complete by the end of 2019. The appointment of the European Commission president and of new Commissioners is already the subject of horse-trading between the Member States. It must not deflect attention from what is at stake, namely the mandate of the future European Commission and the course it must set for Europe's economy. The choices to be made over the next few months must spur us to ask some crucial questions and provide the answers that best address the challenges Europe will face in the coming years.

Firstly, when choosing the Commission president and the incoming Commissioners, I believe it would be beneficial to consider the motives and experience of the men and women who aspire to fill those positions. Let us choose people with international experience who are open-minded and understand how economies and the business world work. Let us not forget that the economic playing-field is now global and not just limited to EU Member States, and let us not shackle ourselves with bureaucratic red tape. One way or another, it is that managerial, technocratic Europe which the voters rejected at the polls and which is a cause for concern.

Yet, what has Europe done to help its industry up to now?

The lack of an industrial strategy with a medium- to long-term vision in Europe will soon prove particularly detrimental. France in the 1960s and 70s had a strategic plan backed up by the resources of the State which laid the foundations for great industrial ambitions in a number of chosen fields. Europe has eradicated all that. The sole purpose of the Competition Directorate at the European Commission seems to be to defend the interests of the European consumer. How marvellous, and how tragic. Protecting the interests of European consumers without any European industrial strategy can lead only to disaster. There is still time to give Europe a genuine medium- to long-term industrial strategy, if such a thing is possible. But Member States' interests are so different and external lobbies so powerful that achieving such a goal will surely not be easy. In the meantime, Europe's economic performance has been anaemic at best: according to the World Bank, the eurozone countries' share of global GDP declined from 23% in 1998 to 16% in 2017. That of the USA over the same period shrank from 29% to 24%, while China's share rose from 3% to 15%. The numbers speak for themselves.



As a direct result of a policy in which the consumer interest is paramount, Europe has imposed conditions of competition that favour fragmentation in order to ensure lower prices. The fact that Europe inflicts competition rules on itself which its main rivals shun is a matter for consternation.

Such a policy is clearly in complete contradiction with the urgent need to encourage the emergence of European champions on a global scale capable of confronting the American and Chinese giants. At stake is control over key sectors such as telecoms, robotics, artificial intelligence and transport which will be crucial for growth and jobs in the near future.

That context of cutthroat global competition implies the need for greater discernment in the European Commission's application of trade and competition rules. It is all the more true where the creation of European industrial champions is at stake, as the failure of the proposed merger between Alstom and Siemens recently showed.

For that reason, it is inconceivable that murky power games between Member States should reinforce

EU institutions' indifference to the creation of the industrial champions we need in order to sustain growth.

Balance needs to be restored now because Europe's industrial future is at stake. The cards of the global economy have been reshuffled, so Europe needs a genuine medium- and long-term industrial policy which takes account of that fact and enables it to compete on an equal footing with its great rivals, the United States and China.

Europe is a wonderful continent, a fine ideal and a great democratic union with exceptional human potential and skills. It is entirely normal that we as Europeans should have high ambitions to support robust economic growth in our part of the world. Let us not squander our advantages!

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