

Cabinet Newsletter

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Dear Reader,

It was another exciting couple of days in the Cabinet for Industry and Entrepreneurship. Yesterday marked the first meeting of the High Level Forum for a better functioning of the food supply chain. Taking place in Brussels, the meeting saw the adoption of a work plan to boost competitiveness and to promote best contractual practices in the European food sector. Vice President Tajani led this effort, joined by fellow Commissioners Michel Barnier, John Dalli, and Dacian Cioloş. Please read on for more news on our work at this meeting.



Antonio Preto
Head of Cabinet

The Vice President commented yesterday afternoon, "It is essential that these various initiatives lead to a more competitive agro food sector for the benefit of consumers, farmers and the industry. This is the reason why the Commission decided to establish the Forum".

And what does this forum do exactly? Comprised of 45 members, it follows a two-pronged strategy based on both the recommendations of the High Level Group on the Competitiveness of the Agro-Food Industry formed in 2008 and the initiatives proposed by the Commission in its Communication "A better functioning food supply chain in Europe" (*see newsletter n.17*). Its members represent select Member States, professional associations, non-governmental organisations representing civilian concerns, and European companies in food production, processing and distribution. It will operate along a three-tiered structure, namely a High Level Forum, a Sherpa group, and expert platforms.

Why is this forum so important to the food-supply chain? The agro-industry is a peak sector in Europe. In fact, the agro-food manufacturing industry represents 2% of Europe's GDP and 13.5% of total employment in the EU's manufacturing sector, consisting of approximately 310.000 enterprises, which are largely small and medium enterprises.

However, various studies have shown that the competitiveness score in this sector, which has historically been one of the most dynamic in the Union, has seen a worrisome decline over the course of the last few years. Additionally, today's consumers want healthy, high-quality, and reasonably-priced foods. This makes the food industry all-the-more important. The supply chain is becoming increasingly complex, which ranges from raw agricultural materials to the presentation of the final product to consumers, being transformed at each step. We therefore

believe that innovation is the best recipe for reinforcing competitiveness, sustainability, and employment in this highly-strategic economic sector for the EU.

Vice President Tajani is committed to this goal, ensuring our agro-food industry remains competitive despite globalisation and other threats posed by our current world. He is working rapidly and efficiently to keep Europe at the forefront in food, through our Forum and other efforts in this industry. The Forum will identify and reinforce the factors that determine and influence the competitiveness of the sector, after which it will advance a set of recommendations to ensure a solid and stable framework going forward

Through such measures, we will continue to ensure consumers are provided with a range of safe and healthy products that meet, and indeed satisfy, civilian needs. We will continue working with the agricultural and distribution sectors to ensure this vision remains clear, issuing our final report by 2012.