



## EUROPEAN COMMISSION

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### **London Conference on fashion and high-end industries**

Ladies and Gentlemen,

I would like to thank you all for your interventions today. Two years ago, I met with some of you for the first time in the **High-Level Group** to discuss several issues of importance to your industry.

A year later, in September 2012, the Commission published two **Staff Working Documents** on the **fashion** and on **high-end industries**.

And finally today, after this year's events in Madrid, Milan and Paris, we all meet in London.

Today, I want to present to you a **European Action Plan** for the fashion and high-end industries. This Action Plan is part of a broader strategy aimed at revitalising industry in Europe.

We have to admit that Europe has made mistakes in the past. We have not sufficiently put forward our industry as key driver of growth and employment.

But now we all realise that without a strong industry we will not have a strong economy.

In this context, in 2012 the Commission presented a strategy for the re-industrialisation of Europe which seeks to increase the proportion of GDP generating from manufacturing to 20% by 2020.

To achieve this, we need to do more. This is why, for the first time, the February 2014 European Council will **focus on industrial competitiveness and policy**. In view of its preparation, the Commission will submit in January concrete measures to improve the implementation of industrial policy priorities.

This process of industrial revival is also important for the fashion and high-end industries.

The Action Plan is part of this overall strategy.

#### **What are the key points in the Plan?**

**First of all**, we cannot compete on **price** with countries where labour is cheap. We have to invest more in quality and creativity, and offer products with higher added value. This already applies to European fashion and high-end goods which are recognised and appreciated all over the world.

But to be able to make these products, we need a **strong manufacturing base** and we need **people with the right skills**.

We have to convince young people that European industry has a future. We have to encourage entrepreneurship: I am very much in favour of developing the **Erasmus for Entrepreneurs programme** and encouraging exchanges with third countries.

We also have to invest more in **creativity and innovation**. And I do not only mean technological innovation. Marketing, design, new organisations and processes are also crucial. Our new COSME and Horizon 2020 Programmes offer funding in support of innovative and creative ideas, including in the fashion and high-end industries.

Together, COSME and Horizon 2020 will make available 4 billion euros in loan guarantees and equity facility to improve access to finance.

**Secondly**, we must support creativity and innovation by protecting them. The Commission is making progress in many fields to **combat counterfeiting and provide better protection of Intellectual Property Rights**.

Adequate legislation is necessary: in March, we adopted proposals to modernise the **trademark system** and make registration cheaper and more efficient, and also to extend trademark protection to goods in transit through the EU.

It is also crucial to guarantee adequate protection for our companies and consumers **on the internet**.

The **Memorandum of Understanding** on the sale of counterfeit goods via the internet is a good example of how e-platforms and major European brands can work together to address the selling of fakes.

Finally, we all agree that **communicating with consumers is crucial**.

We have to show people the real extent of counterfeiting, which is a criminal activity. The trade in counterfeit goods is worth more than **200 billion euros** every year; this is comparable to the trade in illegal drugs! Counterfeit damages our economy, our companies and take away jobs. Counterfeit goods are often unsafe and may be **dangerous**. This is why we – my colleague Michel Barnier (who is responsible for the Internal Market) and I – have launched a **campaign against counterfeiting**.

**Thirdly**, your industries rely strongly on **exports**. European brands and products are recognised all over the world. The high-end industry alone is responsible for 10% of the EU's exports!

Although growth in some emerging economies has slowed down recently, these countries account for a high proportion of our sales of fashion and high-end goods. This is why I launched '**Missions for Growth**' to third countries which help European companies find out more about the business climate and strengthen bilateral cooperation, in the key third country markets.

So far, I have been on missions to 18 different countries, accompanied by hundreds industry representatives.

In short, we need to work harder to **eliminate remaining tariffs and other barriers to trade**. **Reciprocity** in trade with our key partners is vital: we have to make sure that the trade agreements we negotiate lead to 'win-win' situations.

**Lastly, tourism** is an important sector in itself. But it also has relevant links with other sectors, including the fashion and high-end, gastronomy and culture.

The figures confirm this: foreign visitors spent more than 4 billion pounds in Britain's shops in 2011, and over half of this was on fashion and high-end personal goods. The biggest increase is in spending by Chinese visitors. Many shops, such as Harrods, now have Mandarin-speaking staff and offer services specifically designed for a Chinese clientele.

We have to attract even more visitors to Europe.

In October, Chancellor George Osborne announced simplified **visa applications** for Chinese visitors to the UK.

We are doing the same at the EU level. We want to **facilitate short-term visas** so we can attract more tourists to Europe. The Commission will soon be proposing changes to the Schengen Visa Code to this effect. Before next summer we will also propose that several third countries become either visa-free or obtain specific visa waivers for certain tourists.

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Ladies and Gentleman, I would like to assure you that this Conference is not the end of the process.

We now have a very concrete **Action Plan**. We must ensure that it is implemented, step by step.

I also propose to set up a **permanent, multi-stakeholder forum**, to exchange information and track developments under the Action Plan.

You are all very much welcome to participate in it.