

Before starting I want to thank the commission for inviting me and ORGALIME for asking me to talk today.

During these years, we have followed carefully the work of ORGALIME and their brochure "Manufacturing Matters" is a light of hope after this dark year of 2009 for the industry and for many SME companies.

The brochure contains a lot of suggestions that we approve and would like to be applied soon and today I will not try to repeat exactly all these ideas that you can find in the brochure.

My intervention will be focused on SME'S in manufacturing, their role in the European economy and how to support them at a time when some people are asking what can still be manufactured in Western Europe and how can we be competitive with burgeoning manufacturing industries in other countries.

We know that manufacturing requiring high labor costs, high repetitive volume, and unchanging products will must always be manufactured in the most competitive and cheapest location of the moment (and this, of course, this place can change every day) and will not probably be Europe.

But Europe remains engaged in manufacturing which involves:

- low volumes
- a large variety of products
- shortlife products
- quick deliveries
- short time to market
- high transport costs
- no high labor costs
- flexibility for reacting to product innovation and change
- high tech
- innovating products in their first phases
- product requiring security for clients like banks and the military
- and products requiring production of proximity for being supported by innovation in manufacturing

As long as this remains the case, we, SME's in Europe, are facing a challenge I believe we can meet, but we need to consider how to meet it collectively, from a position of cooperative strength. For all these cases the challenge is open for Europe and we can still participate in this exciting world contest and all this represents certainly a high potential added value.

We are leaving in Europe the time where when manufacturing was involved, as in the Charlie Chaplin movie "Les Temps Modernes," it was with thousands of people working in large plants with repetitive jobs, doing the same job for years, working all their life in the same company and manufacturing in very high volumes. We are moving to a period at least for Europe dominated by going to small, high tech, innovative industries with people polyvalent, flexible, innovative, good technically skilled workers, and able to adapt daily to the changing demands of the market.

It is in this area that We(the manufacturing SME's) can stay competitive and be the complementary to the large and strong industrial companies that we have in Europe.

And the trend which is pushing jobs in manufacturing from large groups conglomerates to SME's will not be done with large losses of jobs.

But We need to create a different industrial Europe different from what it is today if we want to participate to the marvelous challenges of these coming years coming where everything can be reinvented every day.

Just a few points among many about the thinking that will help create this different Europe:

Manufacturing remains at the center of our concerns and innovation in the manufacturing process must be associated with innovation in creating new products or both will lose.

Therefore, Support for Research and Development should not be limited to "What to do" but extended to "How to do it" and a manufacturing engineer creating or savings 10 jobs is a hero like an engineer inventing a new product.

Talking about Support remember that SME's find very difficult with commission complex financial rules.

If we push only the industrial programs with large companies without pushing manufacturing in Europe, we will create big and beautiful shells empty of employment

"Fables" in Europe =Jobless in Europe and the social cost of "Fables" is very visible when a plant ceases production somewhere and the social cost for the complete community should be taken in account

Large companies have to stay competitive of course but they should be able to buy on costs and not on prices and when the decision is made to have manufacturing made out of Europe, this decision should be based by comparing costs and not prices

We will be as good as our technical skills, but the fact to see the factories closing has made a lot a people afraid of going into Technical universities; we need to be aggressive in support technology education.

We will remain industrially strong if we sustain our capacity to create and develop strong supply chains; and any supply chain will be as strong as its weakest link.

For example in our field of Electronics , people thought that they could externalize products and keep the research centers ; after a few years the research centers have been moving closed to the manufacturing areas.

And for us, the manufacturing SME's we need our customers the OEM to stay and conceive in Europe.

Another idea is to have some SME specialists involved in the thoughts of the commissions working for supporting the industry.

I can talk for hours about this subject and all the ideas that we may have ;if the message is understood, then we should work for building an industrial policy for all the European countries which supports manufacturing, with large groups and small companies associated in their supply chain and with a way to play which will make "Made in Europe" competitive.

The subject with policy is not protectionism or subvention , the subject is to put in the best competitive conditions what is creating wealth and jobs like it is done in other areas.

Thanks for your attention.