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Report

FIRST WORKSHOP ON METALWORKING AND METAL ARTICLES INDUSTRIES IN THE EU

**"Transforming Metal, Engineering Future"
23 and 24 June 2010 in Bilbao (Spain)**

The European Commission and the Basque Government organized, under the patronage of the Spanish Presidency, a first workshop as a follow-up to the Report on the Competitiveness of the EU Metalworking and Metal Articles Industries. The main objective of the event was to discuss strategic options identified in the report and ways to implement them into the political mainstream. The workshop was attended by entrepreneurs, including SMEs, representatives of industrial associations, regions, universities, clusters, technology parks, trade unions, financial institutions and EU Institutions.

The metalworking sector is one of the biggest industrial sectors in Europe. In 2006, it accounted for 10% of the value added and 12% of the employment (4.24 million employees) and 20% of companies, mostly SMEs (second after the construction sector) of the EU manufacturing sector. Consequently, the metalworking sector is the **largest employer in EU manufacturing** and an important part of the EU industrial base due to the geographical proximity of its supply chain and focus on innovation. On the other hand, contrarily to general assumption, the metalworking sector is an **active player in the fight against climate change** because of high degree of recycling and a large room for energy efficient solutions.

The workshop was opened by Mr. Bernabé UNDA – Regional Minister of Industry, Innovation, Energy and Tourism, Basque Government, who stressed the importance of the metalworking industry for the regional wealth and the industrial base and presented plans for supporting the competitiveness, innovation and internationalization of Basque industry.

On behalf of the Commission, Alexandra Jour-Schröder gave an overview on the Europe 2020 Strategy and the new EU industrial, SME and innovation policies, putting metalworking in this context. The European Economic and Social Committee (EESC) presented the draft opinion on Metalworking and Metal Article Industry, which is expected to be endorsed as own initiative EESC opinion in the autumn 2010. EESC's draft Opinion supports the recommendations in the Commission's Report and requests that Commission reinforces its monitoring of the sector.

In subsequent Panels, Basque Region stakeholders and decision makers debated the ingredients for a successful regional competitiveness policy. Main identified issues were access to finance, public support and flexibility in employment. European industrialists and workers representatives discussed the recommendations contained in the Report

In the course of presentations and debates, the participants confirmed the main challenges of the Metalworking sector identified by the Report, with special emphasis in those **resulting from its SME structure**:

- Political invisibility
- Weak bargaining position because of much bigger and stronger players on both sides of the supply chain (steel, automobile, construction, mechanical engineering, shipbuilding industries, etc..).
- Difficulties to engage in R&D and innovation activities
- Shortages of skilled workforce
- Complexity of environmental legislation, in particular costs of its application
- Complexity of company legislation, namely accounting rules
- Access to finance
- Access to raw materials/supply chain
- Increasing competition on global markets
- Labour costs and productivity

In general, the metalworking sector faces typical challenges of other SMEs **with notorious sector-specific differences**, such its political invisibility, its particularly weak position within the supply chain, an image not reflecting dynamism of the sector and its vulnerability against availability and price fluctuations of steel and other metals.

The conference concluded that the above outlined challenges need to be addressed through:

- Activities to raise awareness about the importance of the metalworking sector for the EU economy and wealth of EU citizens, including EU, national and regional decision makers and entrepreneurs
- Promoting a good image of the sector as a stable, innovative, eco-relevant and future-oriented employer
- Consolidation and strategic partnerships where appropriate
- Fostering state-of-the-art educational and professional training systems
- Promoting flexi-security and live-long-learning to avoid losses of skilled workforce
- Enforcing cluster activities, including better dissemination of information and knowledge sharing
- Improving cooperation between relevant players on a regional level, including enterprises, research institutes, universities, financial institutions and regional authorities.
- “Better regulation”
- Improving framework conditions for SMEs seeking to participate in R&D activities and to innovate
- Fostering the SME policy, including access to finance
- Ensuring access to raw materials at a fair price

- Better exploitation of chances resulting from the climate change challenge as a technology provider in key value chains and a manufacturer of recyclable products

The Commission is organising a follow-up workshop targeting awareness rising among decision makers namely at EU level. It will take place in Brussels in the autumn 2011 and will focus on the EU legislation and policies relevant for the EU metalworking industry.

The last planned seminar will be organized in the 3rd quarter of 2011 in Katowice (Poland) and its objective will be to summarize results of the awareness campaign and to discuss further strategies and steps towards a competitive Metalworking sector in the EU.