THE FUTURE OF THE INDUSTRY IN EUROPE

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The fall in the weight of industry that characterized the last decade of the 20th century consolidated in the early years of the 21st century (it exceeded 20.5% of GDP in the year 2000 to 18.5% in 2013 in EU 15). Many factors are hidden behind this trend, but one very unique and relevant one is the growing **loss of competitiveness of European manufacturing** with respect to emerging countries, which has caused a large part of manufacturing to progressively move (especially goods that are shipped quickly and cheaply) to these environments, which have substantially lower labor and operating costs (the US 28 manufacturing trade deficit with China nearly triples from 2002 to 2012). **Is this the end of European industry?**

The structural issue is not so much yearning for the industry that has left and will hardly return, but thinking about the one we have and that already competes with guarantees in the global market, to promote and develop it and consolidate a sustainable and lasting leadership

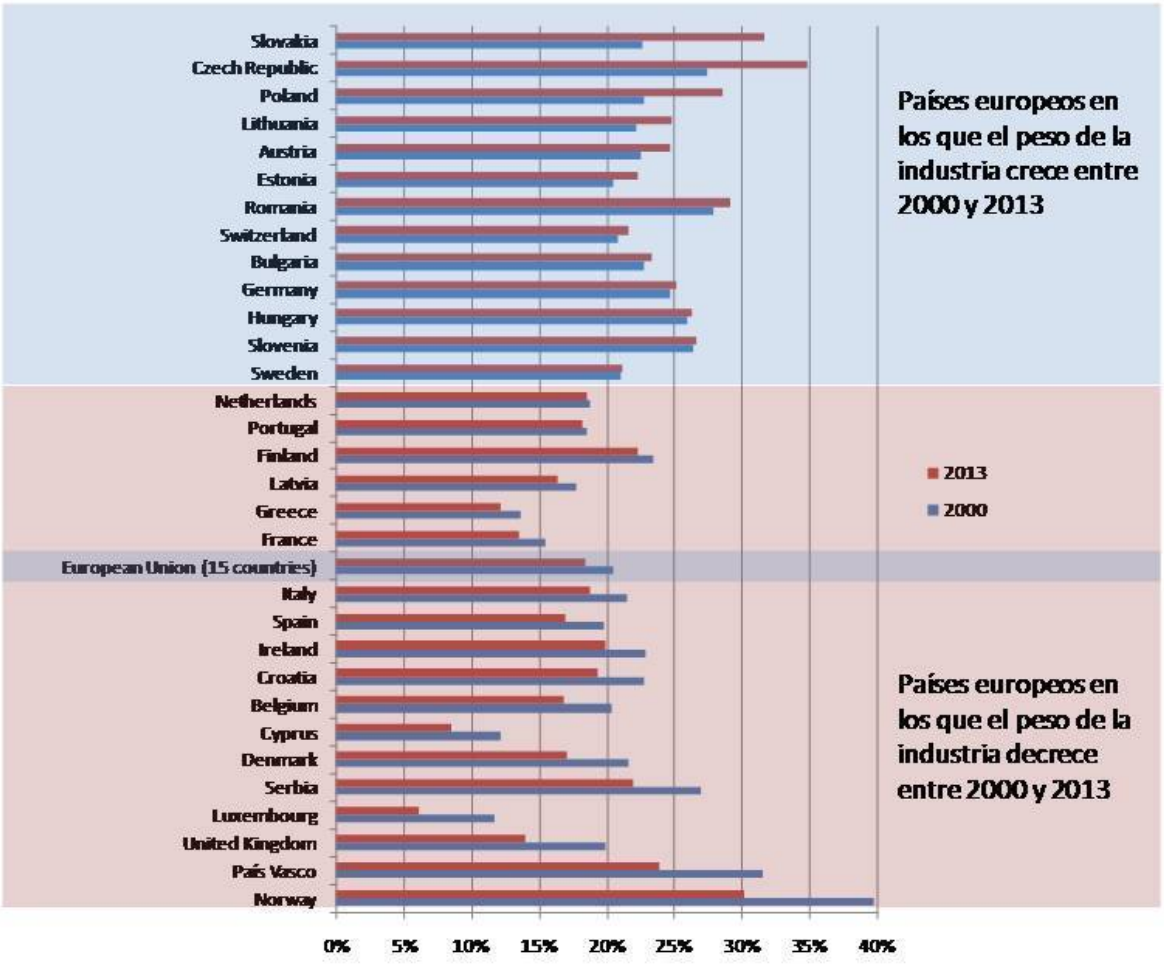
It is not about a struggle between industry and services, as industrial policy has often been presented in the past, but about strengthening the industrial system understood as "**ecosystems of industrial products**" that integrate all agents that add value throughout the life cycle. This includes the manufacturing and transformation processes, which are the ones that the statistics collect as an industry, but **also a whole battery of tertiary processes (design, engineering, R&D, innovation, marketing, commercialization, logistics, maintenance...)** , with a growing weight in the value of the final product, and on whose adequate articulation and dynamism the global competitiveness of the whole depends. Because all this shapes the European industry.

In this line, Europe has many good alternatives to strengthen its industrial tradition, taking advantage of the potential of its business structure that unites the presence of great global champions in multiple sectors, a vast network of industrial and service SMEs that actively collaborate in the value creation. Likewise, **strengthening "industrial ecosystems" is also a way of accelerating the introduction of innovations and incorporating new business models** that quickly adapt to the demands of the global market, leaving aside competition based exclusively on in prices.

Advanced manufacturing and services are engines that need to move in tandem to fuel a modern and competitive industrial system that makes the most of new technologies and human capital. In short, Europe's industrial aspirations have to look far beyond manufacturing itself, as shown in the statistics, to consolidate its leadership.

A great success, in this sense, the defense of the President of the European Commission, Jean-Claude Juncker for "maintaining and strengthening a strong and high-performing industrial base for the internal market". Without a doubt, it sends the right message that, accompanied by appropriate policies, can change the economic landscape of old Europe.

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Evolution of the industrial weight of European countries between 2000 and 2013
Source: Eurostat and Eustat for the data of the Basque Country.

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