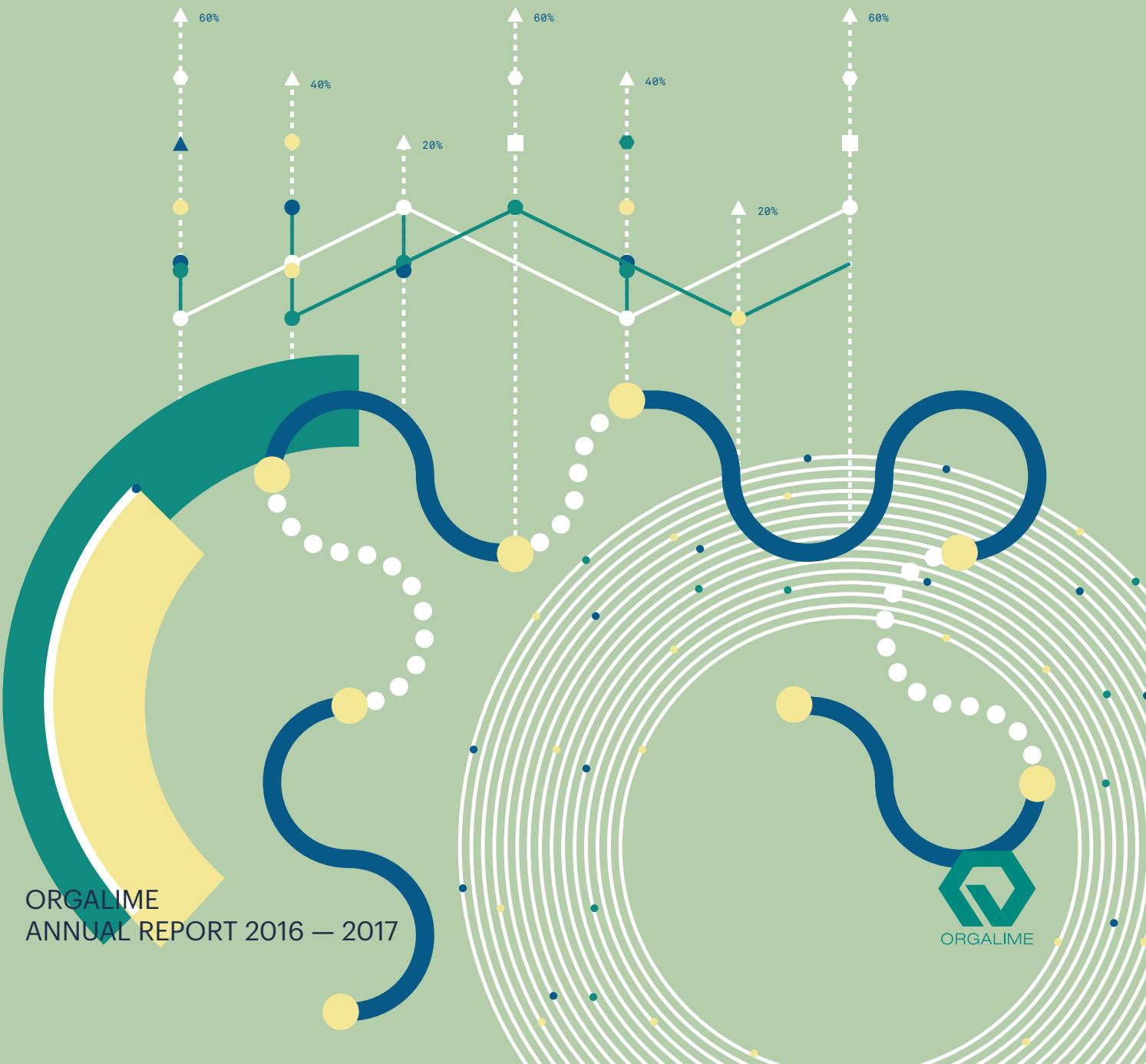


# Connecting the dots for industry

— for a competitive future for Europe



# Contents

|   |           |
|---|-----------|
| <b>Messages</b>                             | <b>3</b>  |
| President                                   | 3         |
| Director General                            | 6         |
| Board & Policy Committees                   | 9         |
| <br>  |           |
| <b>The Business Situation</b>               | <b>13</b> |
| <br>  |           |
| <b>Policy Issues</b>                        | <b>19</b> |
| Industrial Policy                           | 19        |
| Internal Market & Standardisation           | 24        |
| Legal & Trade                               | 29        |
| Research, Development & Innovation          | 35        |
| Energy, Environment & Climate Change Policy | 39        |
| <br>  |           |
| <b>Elsewhere in Orgalime</b>                | <b>46</b> |
| Communications                              | 46        |
| Publications                                | 50        |
| Orgalime Partnership                        | 56        |
| Orgalime Team                               | 62        |
| <br>  |           |
| <b>Members</b>                              | <b>63</b> |



# President's Message



**Tomas Hedenborg**  
Orgalime President

Since taking on the mantle of President of Orgalime over a year and a half ago, I have been on a mission: to ensure our industry's voice continues to be heard by EU decision makers. The last twelve months have been a dynamic period for the European manufacturing sector. We remain world leaders in technology development and our companies continue to generate jobs and growth, with an estimated turnover of €1,997 billion in 2016 and employees totalling some 11 million. But we believe that we can do even better – if the right conditions can be put in place to help our businesses innovate and grow. That's where EU policies come in. And that's where we have been missing a real commitment on the part of this Commission to industry and to a modern industrial policy.

As those of us working in the sector know, however, there are no 'out-of-the-box' policy fixes for creating a framework which stimulates manufacturing investment. In an increasingly complex environment, we need a tailored strategy that connects the dots between all policy areas affecting our industry. This was precisely the thinking behind Orgalime's updated Vision Paper 'Technology for the World, Manufactured in Europe', launched in November 2016. Published to coincide with the half-way mark of the Juncker Commission, the paper outlined our assessment of the state-of-play in EU industrial policy. Throughout the in-depth analysis of key policy areas, our main message was clear: we believe in 'more Europe', not a return to national policies. If our industry is to remain competitive in a globalised world, we need an efficient and effective EU that focuses on the right priorities. Yet while progress has been made in certain areas, there is still much room for improvement in how we tackle common challenges at European level.



## There are no 'out-of-the-box' policy fixes: we need a tailored strategy that connects the dots between all policy areas affecting our industry.

One area where there is scope for targeted action is the ongoing digital transformation of industry and the wider economy. Digitisation is no longer a distant goal; the factories 'of the future' are up and running today. In my day-to-day work, I see first-hand the difference digitisation and automation are making to efficiency, productivity and business opportunities for companies in our sector. It appears that European policy makers have recognised this potential, too. Over the last year, digitisation has remained a top-priority item on the EU's political agenda – in no small part thanks to the efforts of Orgalime and our network. With the 'Digitising European Industry' strategy as a starting point, the Commission has taken a positive step towards enhancing digital innovation capacities and fostering digital innovation in all industry sectors. This must go on, both through a light touch regulatory policy and through the increasingly successful financial support in areas such as public-private R&D partnerships and the support for digital infrastructures.

But this transformation will involve much more than simply communication and tweaking legislation. It will require the same joined-up thinking – at EU and national level – that we are advocating in industrial policy more broadly. In a world where machines communicate autonomously and data is fuelling new service offerings, the ability to develop innovative business models and opportunities is essential. And today, we can already see the impact on employment in our sector, which has been on the rise for the last three years – showing we are recovering from the 2008-9 economic and financial crisis. But we have not yet reached cruising speed. Therefore, if policymakers can create the conditions that enable industry to take the initiative in digital technologies, we can drive growth and create jobs far beyond our own sector. This will be good for all: for citizens, for industry and for the economy.

Another area where we have seen a lot of movement this year is in environment and energy policy. The ratification of the Paris Agreement and the launch of the Commission's 'Clean Energy for all Europeans' package are major milestones on the road to Europe's transition to a low-carbon economy. For our industry, the drive towards greater sustainability is also an opportunity: technologies 'made in Europe' are ready; our firms are already world-leading in areas such as renewable energy, energy efficiency and smart grids. What we need now is the political commitment to implement a framework that will help them succeed in the EU market and beyond. Moreover, by tapping into synergies enabled by digitisation, we can unlock a host of new opportunities to empower consumers and further boost energy efficiency. Delivering on ambitious energy policies has the potential to be a win-win across the



board – promising multiple benefits not only to our planet, but also to manufacturers, consumers and indeed all EU citizens.

Of course there are not only opportunities: this has also been a year of political shockwaves, from the Brexit vote to the US election result. Political instability, needless to say, is no friend of investment – and the effects of this uncertainty have certainly rippled through our sector in recent years. As the focus of the public debate shifts to geopolitics, what matters to industry and has a direct effect on our business and our staff is in danger of being side-lined. Yet despite concerns over the direction of developments at the outset of the year, we may be beginning to see a turn in the tide. The impact of this more positive climate is starting to make itself felt in our industry. When visiting the Hanover Messe trade fair in April, I was pleasantly surprised to hear reports of an upturn in investment in Europe, with many companies signalling a healthy rise in business in the first quarter of 2017. We cannot yet say for certain how the situation will evolve – but if it is a sign of things to come, it is a most welcome one.

Now is the time to capitalise on this momentum, and to throw the weight of our industry behind finding European solutions to the challenges we face. We must reject the economic nationalism that threatens to weaken the Single Market, and continue to promote free trade worldwide. The Internal Market and an open trade agenda are two of the EU's greatest success stories, providing jobs and growth to European citizens for many decades. To roll back on these accomplishments would be a grave mistake and would, I am sure, cost the EU some of the strong support that it enjoys from our industry; rather we must defend these achievements and build on them. Now, more than ever, we need EU and national institutions to take the lead and work towards a deepened Internal Market, an ambitious EU trade policy and a regulatory framework that supports agile innovation and industrial competitiveness.

If the political fallout from the economic and financial crisis has taught us anything, it is that citizens' faith in their legislators largely rests on whether they believe policies can deliver employment and economic well-being. For regulators, then, I believe a top priority must be to create the conditions that will attract manufacturing investment back to the EU. Manufacturing has a proven track record in generating growth and jobs – not only in our own sector, but throughout the economy. If policymakers can help us to build on this, it is Europe's citizens who will reap the rewards.

But, a final word: we too must do our share and indeed also tell citizens throughout Europe much more clearly and much more regularly how we "make the world better".

•



# Director General's Message



**Adrian Harris**  
Orgalime Director General



**Inge Dewit  
Vanhaelen**

## EUROPE – WHERE NOW?

This last year has been one of momentous change in the EU and beyond. Quite clearly Brexit, occurring after the Greek debt and the refugee issues, both of which are yet not resolved, is focusing the attention very much on Brussels and on the European project as a whole. And this is reflected in the tension surrounding several major national elections too. So we are living in a time of considerable uncertainty – and if there is one thing companies hate above all, it is uncertainty.

Are we as an industry disappointed? Yes, of course. Surprised? Not really. Concerned? Very much so. As an industry employing some 11 million people in Europe and with over 95% of companies family owned, our roots are firmly entrenched here. Our companies have grown up in Europe, developed in every town, region and country. They believe in Europe and want to believe in their future in Europe.

But what Europe? What we have seen in the past few years is an increasing disconnect between policymakers and citizens: Brexit, among other developments, is a clear sign of this. But we can see this disconnect with industry, too. To put it simply, policy makers seem again to have lost sight of the fact that, if we as manufacturers are to generate jobs and growth, we must be able to plan and invest safely and to generate revenue in the EU. Over the years, this has become more difficult because of the sheer mass of disparate and overlapping requirements and bureaucratic reporting that manufacturers are expected to deal with. What policymakers forget is that SMEs are not a political buzzword; they really are small companies fighting every day on highly competitive markets: the time they spend on dealing with bureaucratic requirements requires precious resources – skilled staff who are already in short supply.

It is with this in mind that, at the outset of the present Commission, we published



our Vision Paper – ‘Technology for the World, Manufactured in Europe’. And now, in the run-up to the mid-term review of this Commission, we have updated it: we have analysed what we feel this Commission has achieved – and there are notable achievements – but also what we feel could be done better and what, from our perspective, still needs to be done.

## **Let's see Europe really apply the resolutions it has taken to favour competitiveness, jobs and growth and let's show we in Europe all have 'manufacturing at heart'.**

We are of course pleased that our message is being heard: this is perhaps because our industry, which is in the throes of substantial transformation as companies integrate ever more digital solutions into their products, processes or business, is clearly growing in terms of both output and employment. This is good news, but we know that under better framework conditions, we could do much better. And achieving these conditions without a coordinated industrial policy, developed in Brussels with the Member States, may be difficult. But this does not seem to be on the cards. What is quite clear is that the Commission, unlike the governments of our main competitors, has not yet appreciated the true value of having an industrial policy with specific objectives – one which provides a joined-up approach across policy areas. So, we still have some work to do. We are already doing this and will continue in our efforts, since we feel that our industry, as a major contributor to Europe’s economy and citizens’ welfare, should have a say on the future direction the EU takes. Leaving it to the politicians and to the institutions has not been the success we might have hoped for in recent years.

## **WHAT ABOUT ORGALIME?**

We are now well over 60 years old: Orgalime, which was set up before the Treaty of Rome, is even more vigorous today than it was at its outset. We are in no way ready to retire. On the contrary, we have seen steady growth of membership over the years and now represent the interests of companies from 23 countries with a total turnover of nearly 2000 billion euro – roughly the GDP of Italy. Orgalime’s remit covers a large segment of the manufacturing industry, the metalworking, mechanical, electrical and electronic sectors, which accounts for over a quarter of EU manufacturing output and a third of manufacturing exports. This was recognised in 2015 when we were awarded the prize of N° 1 representative of manufacturing in Brussels. We are of course proud to have achieved this. Such recognition is gratifying as the Brussels advocacy scene is



becoming increasingly crowded, with over 2200 associations now operating here.

## European Engineering Snapshot in 2016

---

**Output €1,997 billion**

**Change in output ('16/'15) +1.0%**

---

**Employment 10.99 million**

**Change in employment ('16/'15) +0.3%**

At a practical level, we are continuously adjusting our internal structures and work programme to take on the challenges we face in core policy areas – at present, the digitisation of our industry and the implementation of the climate and energy policies, both of which offer substantial opportunities for our industry – and for once, this is clearly a win-win, since moving on these areas will also help to tackle the challenges that Europe is itself facing.

We are also working hard on developing a cooperative and coordinated approach across our industry's network. Our network is vast since the engineering industry includes some 150 different product sectors, many of which have over time set up their own European sector associations: our structures have therefore been adapted to work collaboratively with the constituent parts of our industry. Today, besides our national member associations, we also service some 20 European sector associations and EFFRA, the research association for the production technology area of our industry; we have a membership which includes both our core national associations from 23 countries, and an increasing number of European sector associations covering a single product or product area. We too therefore have evolved to try to provide a joined-up approach...

A final word from my side. This will be my final report to you. I will be retiring at year's end after over 21 years of working at Orgalime and with the EU institutions. So, I would like to thank our members, our staff and the many people I have worked with over these years in the EU institutions for listening to me, to our thoughts and our vision as an industry – and for working with us: it really is essential that we as industry can and do talk to policymakers, that we can listen to each other and understand each other, even if we do not always agree with each other. As a true believer in Europe and in our industry, let me just add a last word: let's see Europe really apply the resolutions it has taken to favour competitiveness, jobs and growth and let's show we in Europe all have "manufacturing at heart". Thank you. •



# Board & Policy Committees

"Across sectors, three issues are dominating the horizon. Firstly, the fight against climate change presents companies with the challenge of enhancing resource and energy efficiency. But it is also an opportunity for European firms to reassert their global leadership in clean energy technologies. Secondly, digitisation has been stepped up a notch. The integration of connected technologies and data analytics into manufacturing processes is opening the door to exciting new possibilities – for those who know how to unlock the benefits. And finally, we are seeing the blowback from recent political turmoil impact on planning, orders and investment. Despite this often difficult environment, our industry has continued to grow again this year: turnover for 2017 is forecast to reach nearly 2000 billion euro, and we now employ a total of almost 11 million people across Europe."



**Howard Porter**  
Chairman of Orgalime



# BOARD OF DIRECTORS

## **Mr. Howard Porter**

Chairman

BEAMA, United Kingdom

## **Mr. Eric Jourde**

Past Chairman

FIEEC, France

## **Mr. Rafael Campos Pereira**

AIMMAP, Portugal

## **Mr. Andrea Orlando**

ANIMA, Italy

## **Mr. Benjamin Frugier**

FIM, France

## **Mr. Peter Bongaerts**

FME, The Netherlands

## **Mr. Peter Dietrich**

SWISSMEM, Switzerland

## **Mr. Graeme Philp**

GAMBICA, United Kingdom

## **Mr. Jorma Turunen**

Technology Industries of Finland

## **Mr. Thilo Brodtmann**

VDMA, Germany

## **Mr. Klaus Mittelbach**

ZVEI, Germany



## METAL ARTICLES LIAISON COMMITTEE (MALC)

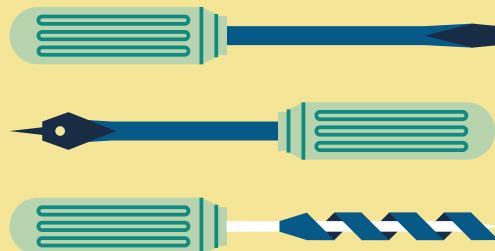
“The core of the engineering industry’s strength continues to lie in our value chains. And metalworking and metal articles are where it all begins, providing a robust foundation for the production chain that leads to high-tech manufacturing. Yet our sector is also embracing digitisation and tapping into the benefits of connectivity and data-driven process optimisation. This can help us build on the growth we have seen in our sector over the last two years.”



**Benjamin Frugier**

FIM

Acting Chairman of MALC



## COMMITTEE OF THE ELECTRICAL AND ELECTRONIC INDUSTRIES (CEEI)

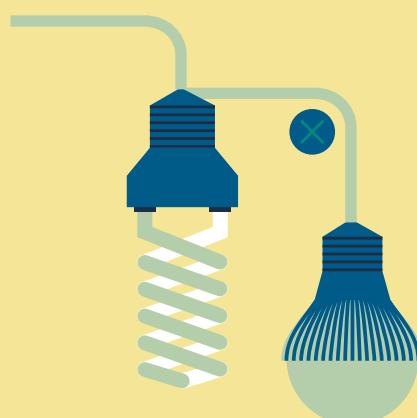
“Data continues to grow in importance for the electrical and electronic engineering sectors: a major focus of technology development in our companies today is the increased use of data and analytics, and how to leverage these to enhance our products and processes. The results are not only creating a host of new business opportunities, they are also helping to boost the productivity and resource efficiency of our plants – something we hope to see reflected in growth, which is expected to rise slightly again this year.”



**Graeme Philp**

GAMBICA

Chairman of CEEI





## MECHANICAL ENGINEERING LIAISON COMMITTEE (MELC)

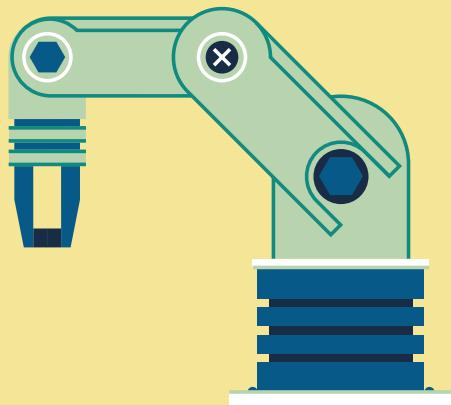
“Over the last twelve months, we are continuing to witness a merging of technologies in our sector, as the vision of Industry 4.0 starts to become reality. This is having a direct impact on the traditional separation between electrical/electronic engineering and mechanical engineering – creating exciting opportunities for new products and systems. Already growth rates are starting to reflect this, with an increase in output forecast for 2017.” •



**Benjamin Frugier**

FIM

Chairman of MELC



# Business Situation in 2016

## European engineering industry set to grow by 1.3% in 2017

Orgalime's economists compile and analyse the latest data and forecasts of the engineering industry twice a year. We specifically analyse the economic trends of metal products, mechanical engineering and electrical engineering, electronics, ICT & instruments (mainly chapters 25 to 28 and 32.5 of the NACE rev.2 business nomenclature), as well as the sector 'Installation and repair services' (chapter 33 of the NACE rev.2 business nomenclature).

Based on official data available, we estimate that the engineering industry's total turnover value in the European Union reached about €1,977 billion in 2015, of which €170 billion is attributable to installation and repair services. The employment in the engineering industry was equal to 10.97 million people, of whom 1.30 million were working in installation and repair services.

## Annual change in output (current prices) of European engineering industries (year-on- year growth in %)

| Sector / year                                      | 2016       | 2017 (forecast) |
|--|------------|-----------------|
| Mechanical engineering                             | 1.0        | 2.1             |
| Electrical, electronics and instrument engineering | 0.1        | 0.4             |
| Fabricated metal goods                             | 1.9        | 1.7             |
| <b>Total Orgalime industries</b>                   | <b>1.0</b> | <b>1.3</b>      |

## 2016 AT A GLANCE

### 2016: Output grew by 1.0%

The activity in the European Orgalime-sectors grew by 1.0% in 2016. In the last five years, the European economy in general and the engineering industry in particular seems to have lost its usual volatility and the evolution of the production growth was almost flat.

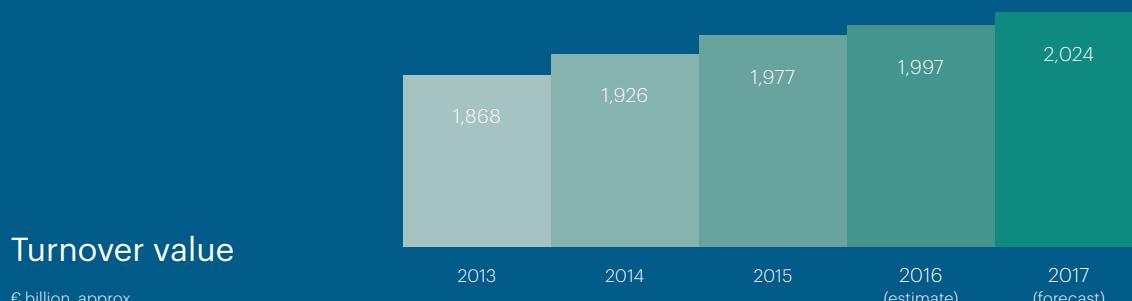
The main driver of the growth in 2016 was the slight economic recovery in the European Union and the rest of the world. The output of the European industry and of the construction sector increased slightly and investment was once more on the rise. The automotive sector, a major client of the industry, where the number of new passenger car and commercial vehicle registrations increased enormously, was certainly one of the motors of this European growth.

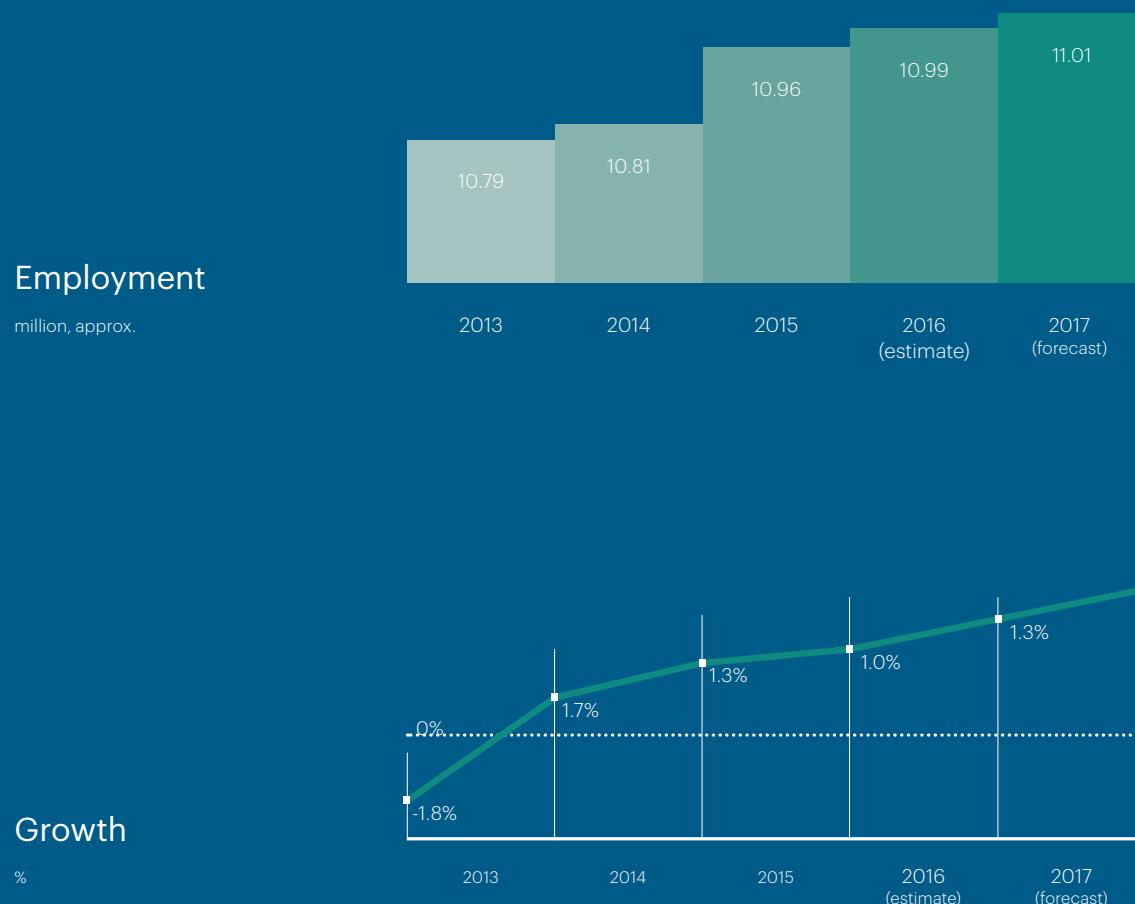
Furthermore, the Purchasing Managers Indices and the Confidence Indicators for the European industry increased significantly at the end of 2016. The slight optimism, expressed by the figures, is also based on these observations.

However, the European engineering industry also faced negative effects on its order books because of three important global economic evolutions:

1. The continuous decrease of the BRICS markets that started in 2012 has not stopped since then. The Russian economic crisis was due to the depreciation of the Rouble, low industrial demand (especially in the oil sector) and the economic sanctions due to the political situation in Ukraine.
2. A substantial depreciation of the Pound Sterling during 2016 made exports to the United Kingdom more expensive. As a result, the United Kingdom faced an increase of its input prices.
3. The appreciation of the US Dollar also came to an end in 2016. The American market was one of the drivers of growth in the period 2014-2015.

Moreover, notwithstanding mainly positive tendencies for incoming orders, many companies reported that margins were under pressure and becoming a major concern at company level.





## 2017 OUTLOOK

### 2017: Output set to grow by 1.3%

In 2017, GDP growth will again be very moderate in most industrialised countries. For emerging markets, the IMF predicts a slightly higher GDP growth rate than in 2016.

Investment growth of European industry will be positive. European industry was underinvesting in the period 2010-2015 compared to the period before the economic crisis of 2008-2009. In 2016 and 2017 we have been seeing an upswing in the European industrial investment figures.

Uncertainty and some risks could have a negative effect on these growth perspectives. The rise of populism and anti-globalisation sentiment in Western Europe is a first factor of uncertainty. Geopolitical tensions in Ukraine, Syria, Turkey and Iraq continue to have a negative impact on global business confidence. The effects of Brexit on the European integration project and, last but not least, the uncertainty about the way in which US President Donald Trump will deal with trade issues and/or protectionist measures puts an enormous brake on the global and European growth motor.

## EMPLOYMENT

It is estimated that employment grew very slightly by 0.3% in 2016. It is the third consecutive year of growth here in the European engineering industry. The growth rate in 2015 was 0.7%, and in 2014 we calculated a 0.3% employment growth. In 2017, Orgalime economists expect this to continue with a forecast rise in engineering industry employment. In some parts of the industry, notably the mechanical engineering and metalworking industry, the increase could even be 0.3%. It is clear that the digitisation of industry and the way in which the European Commission facilitates data-driven growth developments will have an impact.

### Annual change in employment of European engineering industries (year-on-year growth in %)

| Sector / year                                      | 2016       | 2017 (forecast) |
|--|------------|-----------------|
| Mechanical engineering                             | -0.2       | 0.3             |
| Electrical, electronics and instrument engineering | -0.3       | -0.1            |
| Fabricated metal goods                             | 0.7        | 0.3             |
| <b>Total Orgalime industries</b>                   | <b>0.3</b> | <b>0.2</b>      |

## SECTORS

### Mechanical engineering industry

European mechanical engineering accounted for an annual turnover in 2015 of around €650 billion. Employment is estimated at more than 2.9 million people.

In 2016 output grew at average by 1% and in 2017 we see that mechanical engineering will grow again above average (2.1%), making it the strongest growing sector in the engineering industry.

The mechanical engineering sector is profiting from the small recovery of the European industry since the beginning of 2013. European industrial output and investment figures are slowly but steadily on the up, and this is good news for the European mechanical engineering industry.



## Electrical, electronics, ICT & instrument industries

The electrical, electronics and instrument industries employ more than 3 million people (including medical and dental industries). This branch of the engineering industry accounted for an annual turnover in 2015 of around €675 billion.

In 2016 and 2017, there will somewhat low growth in this sector (0.1% in 2016 and 0.4% in 2017).

One challenge for this sector is to deal with decreasing price evolutions in the telecommunication sector, and another is to pick up the technological and commercial evolutions in the energy sector. This sector can certainly profit from the digitisation of European industry and the global evolution towards Industry 4.0, in particular if the EU regulatory framework enables this.

## Fabricated metals and metalworking industry

The fabricated metals and metalworking industry's turnover in 2015 is estimated to have been around €482 billion. In terms of employment this is the largest sector of the European engineering industry, employing 3.66 million people. This sector produces, to a large extent, inputs and products used in the construction industry and in other engineering sectors such as machinery and automobile.

In 2016 and 2017, the sector is expected to grow faster than the European engineering industry average (1.9% growth in 2016 and 1.7% growth in 2017).

The fabricated metal goods sector is growing faster, because it is benefitting from the small recoveries in the mechanical engineering sector and the construction industry and from the spectacular growth figures in automotive. •



# Industrial Policy



Adrian  
Harris



Pierre  
Lucas



Christoph  
Riedmann

Industrial policy is at the heart of Orgalime's work. For us, however, this does not mean the old-style approach of 'picking winners' or promoting 'champions'. Rather, we are in favour of a modern industrial strategy; a coordinated policy mix to create a framework within which European firms can thrive and be globally competitive. This means connecting the dots between all policy areas affecting the engineering sector – from the Internal Market and digitisation, to energy and environment, to trade and R&D. Our focus this year has been on communicating



the necessity for such a joined-up approach, in particular through our updated Vision Paper, drafted as part of our ongoing work on industrial policy and digitisation.

## DIGITISING INDUSTRY

Orgalime has been actively involved with the implementation of the Commission's 'Digitising European Industry' Communication, published in April 2016. Our initial comments welcomed the balanced approach focused on "boosting Europe's digital innovation capacities", on the one hand, and "boosting digital innovation in all sectors across Europe", on the other. These will be the two pillars of the EU's Industrial Renaissance, which we believe must be built on both the digital and non-digital industry sectors.

More specifically, our comments addressed a range of issues – from investment, standards and governance, to the regulatory framework, industrial data protection and skills. We also voiced regret that the Communication did not focus strongly enough on infrastructure and cybersecurity as the backbone of any digitisation policy. Moreover, we expressed concern regarding the Commission's approach on "open data": if widely applied, this could considerably reduce our companies' right to protect trade secrets.

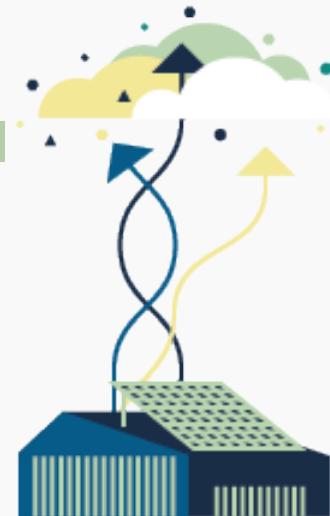
Since this initial response, Orgalime has taken steps to further foster the debate at EU level. In September 2016, we organised a workshop entitled 'Data: the gold of industry's digitisation', which brought together representatives of our national associations, European sector associations and individual engineering companies for an exchange of views on how digitisation is perceived and deployed in various areas of our industry, and on how to best influence the regulatory framework for the free flow of data. Also in September, a European Parliament event hosted together with the European Forum for Manufacturing (EFM) provided an opportunity for industry stakeholders to discuss the topic 'Digitising European industry: the core of a sustainable industrial policy for Europe' with Commissioner Günther Oettinger, MEP Reinhard Bütikofer – rapporteur for the Parliament's report on the 'Digitising European Industry' Communication – and other key MEPs.

In early January 2017, Orgalime drafted a set of comments in the form of amendments to MEP Bütikofer's draft report and discussed them with shadow rapporteurs in the Parliament. Moreover, Orgalime contributed to preparations for the Dutch and Slovak Council Presidencies' conferences on 'Industrial Technologies 2016 – Creating a Smart Europe' in June and 'REinEU2016' in September 2016, and to the drafting of the 'Amsterdam Declaration – Creating a Smart Europe'.

Orgalime is also represented in the governance bodies proposed in the Commission's Communication – namely the High-Level Roundtable and Stakeholders' Forum,

charged with following up on the strategy's implementation. The Roundtable met in September 2016, while the Stakeholders' Forum was held for the first time in Essen, Germany, in January 2017. Also of relevance for Orgalime's work is the European Platform of National Initiatives on Digitisation: launched on 'Digital Day' in Rome, March 2017, this gathers 12 existing and 9 future national initiatives on digitisation and provides a platform for their cooperation.

**Orgalime favours a comprehensive approach that mainstreams industrial competitiveness into all areas – entailing coordinated action across a wide spectrum of policy fields.**



## CYBERSECURITY AND DATA

In the broader digital policy arena, Orgalime continues to monitor several issues relevant to the engineering industry. 2016 saw progress in reinforcing the EU's cybersecurity capacities, as the Directive on security of network and information systems (NIS Directive) entered into force in August. Moreover, the Commission issued a Communication on 'Strengthening Europe's Cyber Resilience System and Fostering a Competitive and Innovative Cybersecurity Industry' and launched a new public-private partnership (PPP) on cybersecurity, which Orgalime believes may provide a boost to the currently fragmented European cybersecurity industry. We are now focusing on how best to move forward on cybersecurity, in particular in the B-2-B context.

A further priority has been legal issues in the data economy, as addressed in the Commission's January 2017 Communication on 'Building the European Data Economy'. This discusses potential obstacles to the free flow of data (both personal and non-personal) and questions surrounding data location restrictions, access to and transfer of data, liability of non-personal data, and data portability. Orgalime's September 2016 position paper on these issues is discussed in more detail in the Legal & Trade chapter of this report. Finally, in January 2017, we responded to a Commission consultation on Next Generation Internet, aimed at defining the research and innovation priorities of the EU on the basis of a number of technology areas which the Commission had pre-selected for comments.



## AN EU INDUSTRIAL STRATEGY

Notwithstanding the efforts being made by the European Commission to create a more favourable framework in many policy areas, to date it has not seen fit to frame these in the context of an overall industrial policy. In February 2017, Orgalime and some 127 other European industry associations co-signed a ‘Joint Declaration for an Ambitious EU Industrial Strategy’. This called on the European Commission to “reaffirm its commitment to reaching the target of 20% of GDP from industry” and to “adopt an Action Plan to tackle the challenges that the industrial sectors are facing, in the framework of a Communication that would include concrete steps and milestones”.

This strong support for an EU industrial strategy comes at a time when many sectors of industry are facing major challenges, and countries such as the US, India and China are demonstrating strong political commitment towards domestic industry. The Parliament, the European Council and the Competitiveness Council have called for action to strengthen and modernise the EU’s industrial base, or even for a European re-industrialisation policy. However, the Commission still seems reluctant to deliver a comprehensive industrial policy vision, though it has now organised by its first EU Industry Day, an event hosted by the Commission’s DG GROW in February 2017 as a forum to discuss the future of manufacturing. Speaking at EU Industry Day, Orgalime President Tomas Hedenborg drove home our message: “Digitisation is only one piece of the puzzle. If Europe’s Industrial Renaissance is to succeed, the vision needs to go beyond digitisation”.

## 2016 VISION PAPER

While actively contributing to EU digitisation policy, we have also been vocal in our insistence on this need to move the debate on industrial policy beyond digitisation. We presented our case for a comprehensive approach in an updated version of our 2014 Vision Paper ‘Technology for the World – Manufactured in Europe’. Published at the Orgalime General Assembly on 17 November 2016, the Vision Paper assessed the first two and half years of the Juncker Commission and the current legislature regarding support for industry. It delivered an overview of welcome achievements to date and recommendations for the future, laying out Orgalime’s aims of ‘more Europe’ and better Commission leadership and governance, while underlining our strong belief in cooperation: between Member States and the EU; between industry and policymakers, regulators and education communities at national and regional level; and with those organisations in industry and beyond with whom we share the same values and goals.

After our President officially presented the 2016 Vision Paper update at the Orgalime General Assembly, it was widely disseminated to Commission Cabinets and Services, as well as to MEPs. This led to a number of high-level meetings that provided Orgalime with the opportunity to reinforce the priorities outlined in the document.



Indeed, Orgalime is in favour of a comprehensive approach that, as the Council conclusions once put it, “mainstreams industrial competitiveness into all policy areas”. This would entail coordinated action across a wide spectrum of policy areas: a strong internal market and robust market surveillance; product regulation that works, in line with the New Legislative Framework; an ambitious EU trade policy; following through on commitments to climate and energy targets; and an R&D policy that focuses on the competitiveness of the manufacturing sector.

Orgalime will continue to promote the shaping and implementation of a well-designed industrial strategy, building on digitisation and all the other factors that can help the European engineering industries represented by Orgalime contribute to Europe’s Industrial Renaissance. Our aim of course is to allow our industry to regain its position as a strong technology-driven growth industry in Europe. •



# Internal Market & Standardisation



Philippe  
Portalier



Eleonora  
Piccinni



Caio  
Lobo



Helena  
Le Goff-Jedrzejowicz

The sectors Orgalime represents have built their success on the foundation of the EU Internal Market. It has been central to growth, job creation and industrial competitiveness.

Much of our work therefore revolves around protecting and strengthening the principles underpinning this market, both in the physical and, increasingly, the digital world. This means we pursue the following priorities in our interactions with EU decision makers: the rapid removal of technical trade barriers, smarter market surveillance with more physical controls, true



de-bureaucratisation and simpler conformity assessment rules, a regulatory environment ready for the Industrial Internet of Things, and an approach to standardisation in line with companies' global market needs.

## INTERNAL MARKET

High on the agenda over the last twelve months has been the issue of market surveillance – something that is vital for the smooth operation of the Single Market. By failing to ban non-compliant products from the marketplace, ineffective market surveillance distorts competition and significantly impacts the business of legitimate manufacturers. Orgalime has highlighted these consequences in our responses to various consultations on the implementation of the existing 2008 Regulation.

Moreover, our October 2016 position paper on enforcement and compliance in the Single Market underlined the need to help lawful firms comply with EU rules, while promoting a 'smart' approach to identify and punish unlawful economic operators. This would entail greater coordination of national market surveillance activities and allow, under certain criteria, for the voluntary participation of private stakeholders in intelligence sharing with authorities to improve the effectiveness of surveillance operations. Such an approach would also mitigate risks that arise when Internet platforms are used to place unlawful products on the Single Market, while allowing for the use of fulfilment centres – as we communicated in a further position paper on fulfilment centres. Orgalime continues to firmly reject the option of a generalised pre-market registration system of products: this would not only be costly, but would be flawed from day one and would not be effective in fighting unlawfully marketed products.

The past year has also seen several developments in harmonisation legislation relevant for the engineering industries, as the Low Voltage Directive (LVD), the Electromagnetic Compatibility Directive (EMC) and the Radio Equipment Directive (RED) became applicable to manufacturers. Orgalime is now advocating for an urgent revision of the corresponding Commission application guides and is providing input where these are being developed. In addition, we continue to closely monitor the revision of the 'Blue Guide' on the implementation of EU product rules, to ensure it remains a supportive tool for engineering firms.

The principle of 'mutual recognition' is also central to the functioning of the Internal Market. While Orgalime monitors policy in this area, it is not a core focus as our industries are overwhelmingly covered by European harmonisation legislation. However, in February 2017 we wrote a letter calling on the Commission to endorse the Mutual Recognition Agreement between the EU and Switzerland, where EU



harmonisation directives on electrical safety, electromagnetic compatibility or simple pressure vessels had recently been transposed into Swiss legislation.

A final legislative development relevant to engineering firms in the Single Market context was the Commission's proposal for a 'European Accessibility Act'. In our November 2016 position paper, we emphasised that we fully understand the importance of responding to the needs of people with disabilities and promoting inclusion, yet questioned whether the proposal would deliver on those aims – or whether it would weaken the CE marking system and add another layer of complexity to the legislative landscape for producers.

## TECHNICAL LEGISLATION

A central task for Orgalime is monitoring technical legislation relevant for the engineering industries. Top of the agenda over the last year has been the Machinery Directive (MD) – a core piece of legislation for the manufacturing sector, which the Commission is currently considering revising. Our April 2017 position paper communicated a clear message on this issue: do not touch our Machinery Directive! The MD has proven an excellent legislative tool that has ensured a high level of safety, supported the Internal Market and helped our industries remain competitive globally. It is equally fit for purpose to address the safety of users of machines embedding artificial intelligence for collaborative or autonomous applications. Orgalime has a leading role as the industry representative to the EU institutions in all discussions on the MD, and has actively contributed to the ongoing study of the Directive's performance and to targeted and public consultations.

To help members navigate the Gas Appliance Regulation (GAR), published in March 2016 and set to apply in full from 21 April 2018, Orgalime is drafting a Guide of Interpretation – to be ready in late 2017. This will highlight the main differences compared with previous legislation, outline how to determine if a product is in the scope of the Regulation, and how to correctly apply the provisions of the New Legislative Framework (NLF).

Regarding the Pressure Equipment Directive (PED), the focus this year has been on finalising the new European Commission guidelines following the Directive's alignment to the NLF. We actively participated in all meetings organised by the Commission and tabled suggestions to solve the interpretation issue of 'risk' versus 'hazard'. In addition, as the Simple Pressure Vessels Directive has also been aligned with the NLF, these guidelines will likewise need to be adapted. Orgalime remains the main industry representative in Commission meetings open to stakeholders.

The Commission also published guidelines on the Low Voltage Directive (LVD) in November 2016. Orgalime's members actively participated throughout the process of compiling the guidelines, providing input whenever a new version of the guide was made available. We provided detailed explanations of our position in bilateral

meetings and in a letter to the Commission – reaffirming our suggestions on voltage limits and the language of instructions of LVD products. In addition, we continue to monitor the issue of formal objections regarding LVD standards and their non-citation in the Official Journal of the EU.

Moreover, Orgalime has this year provided input on the Commission's guide to application of the Electromagnetic Compatibility Directive (EMCD), to be published by summer 2017: we helped clarify the Directive's scope, made sure that the guide included only EMCD-specific requirements, and aligned the references of the EMCD with other pieces of EU legislation.

Last but certainly not least, the Radio Equipment Directive (RED) remained a top priority for our members this year, as interconnectivity and digitisation become increasingly important for manufacturers of modern engineering products. Orgalime's actions revolve around three pillars. First, our constant monitoring of and contributions to the Commission RED application guide have made Orgalime a reliable partner in discussions with the Commission and EU Member States. Second, we are steadily voicing our concerns over the issue of the non-availability of harmonised standards: the delay in citing these standards in the Official Journal of the EU has deprived radio equipment manufacturers of the benefit of the presumption of conformity with the RED. Here, we have made clear to both the Commission and the European Standards Organisations how urgent the situation is, with the Directive due to enter into force on 13 June 2017. The third pillar of our activities is examining the relationship of the RED with other pieces of harmonised legislation. For example, we have been actively contributing on issues such as "combined equipment" (radio and non-radio products) and the possibility of using existing LVD and EMCD standards under the RED.

**Orgalime has called on the  
Commission to restore manufacturers'  
confidence in the New Approach and  
the European standardisation system  
by reinstating a real dialogue  
with industry on this issue.**





## STANDARDISATION POLICY

The last twelve months have seen a flurry of activity in the standardisation sphere, with Orgalime working to enhance cooperation between policymakers and industry stakeholders and to uphold a flexible and effective approach to standard-setting at EU level.

The Joint Initiative on Standardisation (JIS), designed by the Commission to strengthen interaction between the European standardisation community and EU regulators, was co-signed in June 2016 by the Commission, most Member States, and industry stakeholders including Orgalime and some of our member associations. Orgalime representatives have provided extensive input to the meetings of the JIS Editorial Committee throughout the year. Together with BusinessEurope and others, Orgalime also supported the establishment of a Standards Market Relevance Roundtable (SMARRT) between the European Commission and industry stakeholders, with the aim of improving information exchange and dialogue. The first meeting of SMARRT took place in February 2017, with further meetings scheduled throughout the year.

Another focus this year has been our efforts to uphold the ‘New Approach’ to technical harmonisation – better known as the ‘CE marking system’. For over 30 years, this has been the most effective ‘better regulation’ technique for Europe’s engineering companies, enhancing their competitiveness by supporting the free circulation of industrial products within the Single Market. However, this success has been jeopardised by the Commission’s increasingly legalistic approach to publishing the reference of candidate harmonised standards in the Official Journal of the European Union, thereby adversely impacting the smooth operation of the Single Market for harmonised products. In our position paper of March 2017, Orgalime called on the Commission to restore manufacturers’ confidence in the New Approach and the European standardisation system by reinstating a real dialogue with industry on this issue.

Finally, in late 2016 Orgalime invited European standards organisations CEN and CENELEC to create an ‘Industry Advisory Forum’. This would facilitate a two-way dialogue between industry stakeholders and the boards of these two bodies on European standardisation issues related to EU policies and legislation – especially during drafting and acceptance of Commission standardisation requests requiring input and support from industry representatives. The involvement of industry is essential to ensure that harmonised standards are relevant to the needs of the companies that use them. •

# Legal & Trade



Željko  
Pazin



Jackie  
André



Silvia  
Selандари

The engineering industry is the EU's largest manufacturing exporter – making trade policy a central pillar of Orgalime's work. With a backlash against globalisation making itself felt this year, it has become more vital than ever for Orgalime's industry to advocate for the free trade that has been so beneficial to our sector and the EU economy more broadly. Over the past twelve months, our work in this area has revolved around Free Trade Agreements (FTAs) such as TTIP and CETA. Our team has also been busy with legal questions, as European regulators



have turned their attention to issues of non-personal data in the context of the digitisation of industry.

## TRADE POLICY

### International trade policy

A significant development on the international trade policy stage this year was the entry into force of the landmark Trade Facilitation Agreement (TFA) in February 2017, following ratification by the World Trade Organisation (WTO). Orgalime welcomes the TFA as a means of simplifying, modernising and harmonising export and import processes. Moreover, we continue to support the European Commission's plan to advance a trade liberalisation agenda through the multilateral, bilateral and plurilateral paths – with our Vision Paper calling for renewed ambition and a reassertion of the Commission's competences in this sphere.

## Transatlantic Trade and Investment Partnership (TTIP) negotiations

The Transatlantic Trade and Investment Partnership (TTIP) has remained a core focus of Orgalime's work on trade over the last 12 months. Following a round of talks in Brussels in July, the 15th and most recent round of TTIP negotiations took place in New York in October 2016. Progress had been made on technical barriers to trade, and a way forward was being sought on certification. However, there was little movement on standardisation, with the US continuing to refuse to refer to ISO and IEC standards.

Orgalime and several other European associations addressed the issue of standardisation in a joint letter to Commissioner for Trade Cecilia Malmström and other Commissioners in the summer of 2016. We emphasised the importance of increased regulatory cooperation between the EU and US as a means of supporting global standardisation work at ISO, IEC and ITU level.

We also commented on the new US draft Nationally Recognised Technical Laboratories (NRTL) Program Directive, which underpins the conformity assessment procedures managed by the US Occupational Safety and Health Administration (OSHA) and in particular the designation of recognised test laboratories – an area that has long been of interest to us. We call for an obligatory mutual recognition among NRTLs of the product test reports, certifications, and approvals delivered by another NRTL, and for a move toward a possible future harmonisation of accreditation procedures.

The future of TTIP has become more uncertain following the US elections in November 2016, as the new US President Donald Trump is not overly supportive of foreign trade. At any rate, with the new US negotiating team not expected to be in place

until mid-2017 at the earliest, TTIP negotiations have slowed in the first semester of 2017.

Following the US elections, Orgalime addressed a letter to the European Commission strongly encouraging the continuation of TTIP negotiations. The agreement remains a key, long-term priority for our industry and despite the temporary slowdown, Orgalime is keeping a close eye on developments. For example, we have provided additional input to a consultancy tasked by the European Commission with producing a report on the potential economic impact of TTIP. Moreover, we wrote a letter to the Commission with feedback on how the study could be improved – while restating the importance of TTIP to our industry.

**It has become more vital than ever for Orgalime's industry to advocate for the free trade that has been so beneficial to our sector and the EU economy.**



## Free Trade Agreements (FTAs) and other negotiations

While TTIP remains the top priority for Orgalime in the trade arena, the past year has seen movement on several other FTAs of relevance to our sector. Most prominent among these is the Comprehensive Economic and Trade Agreement (CETA) between the European Union and Canada. Negotiations began back in 2009, the initial conclusion was announced in 2014, and the legal review of the text was completed in February 2016.

Intensive debates at regional, national and European level raised questions over whether consensus would be found; however, the agreement was ultimately signed by Canada and the EU on 27 October 2016. In advance of the European Parliament vote on CETA in February, Orgalime co-signed a letter to MEPs in support of the agreement, in which we underlined the importance of CETA in terms of eliminating tariffs for engineering products, simplifying customs procedures and opening up public procurement. On 15 February, the European Parliament ratified the agreement, paving the way for provisional application of most chapters in April 2017 – with full application pending ratification at national level.

In other FTA developments, this year has seen new momentum rise in the EU-Mercosur negotiations, originally opened in 1999 and re-launched in 2010. In September 2016, Orgalime's position paper on the negotiations stated that these



South American countries are an important market for the European engineering industries, with EU-Mercosur trade totalling €18 billion per year. As the latest round of negotiations got underway in late March 2017, we called for an agreement to overcome tariff and non-tariff barriers to trade.

Also on the EU trade agenda over the last twelve months is the revision of the EU-Turkey Customs Union. In June 2016, Orgalime contributed to the Commission's public consultation on the topic: while highlighting the importance of trade with Turkey, we pointed out that protectionist non-tariff measures are imposing substantial costs and administrative burden on European engineering firms.

Lastly, five years since the EU signed an FTA with South Korea, the Commission invited stakeholder input to evaluate its impact. Orgalime responded in February 2017 by underlining the economic benefits of the agreement, which include a considerable growth in bilateral trade in engineering products. However, we expressed concern regarding remaining non-tariff barriers for European companies in Korea, and called for steps to improve the situation. We will continue to monitor developments in this and all FTAs in the year to come.

## Conflict minerals and raw materials

The past 12 months have seen EU legislators hammer out an agreement on a Regulation addressing reporting requirements for conflict minerals. After reaching a political understanding on 15 June 2016, the Commission, Parliament and Council found an agreement on the Regulation text in early 2017.

Reporting will be mandatory for upstream industries as well as for most importers, with downstream industries exempted from mandatory reporting. This exemption is what Orgalime had been calling for, a position we had communicated in meetings with European Parliament representatives over the past year.

Meanwhile, the Commission will develop guidelines and tools to encourage voluntary reporting for downstream companies with over 500 employees, and the Regulation will also recognise existing industry schemes aligned with the OECD guidelines. We had the opportunity to address both points when we met with the Commission to discuss the details of the Regulation. Orgalime will continue to track progress as the legislation enters the final stages of ratification.

## Revision of the dual-use items regime

A further issue of relevance for exporters last year was the update of the dual-use items Regulation, as proposed by the Commission in September 2016. In our position paper responding to this development, we questioned the opportunity of using the dual-use Regulation – the purpose of which is to protect national security and prevent the proliferation of arms of mass destruction – as the best tool to protect human

rights. Moreover, we cautioned that the EU should not unilaterally enlarge the scope of export controls; if this is not in line with the relevant international regimes, the EU's competitiveness is at risk.

**We believe freedom of contract should naturally be the basis of business-to-business relations concerning data exchange and flow of data overall.**



## LEGAL ISSUES

### Building a European Data Economy

Following the entry into force of the European Data Protection Regulation, the Commission has turned its attention from personal data to the business-to-business flow of non-personal data. The Communication 'Building a European Data Economy' of January 2017 addressed problems of data localisation and other legal questions surrounding data in a business context.

Against the background of the digitisation of industry, these are important issues for the sectors Orgalime represents. We have communicated our core position to the Commission: namely that freedom of contract should naturally be the basis of business-to-business relations concerning data exchange and flow of data overall. Moreover, we have been advocating for the right of companies to protect their know-how in the digital world.

### Evaluation of the Product Liability Directive

As the Commission began an evaluation of the long-standing Product Liability Directive in early 2017, Orgalime contributed to the public consultation on the topic. Our key message was that we do not see a need to revise the Directive at present: its technology-neutral provisions have created legal certainty while enabling technological development over the years – and we believe it will continue to meet its objectives of striking the right balance, in terms of liability, for damage caused by a defective product in a fair way.



## Business-to-consumer contract for the online sale of goods

Following the Commission's decision to shift its focus from a 2011 proposal for a Common European Sales Law (CESL) to its 2015 proposal on online business-to-consumer contracts, Orgalime has been closely monitoring developments as the new proposal is reviewed by the European Parliament. We remain firmly convinced that EU regulation should not interfere in business-to-business contracts and that the consumer-oriented approach of the new proposal is the right direction for such legislation.

## Improving the Transparency Register

In May 2016, Orgalime provided its input to the public consultation on the mandatory Transparency Register. As one of the first organisations registered after its creation, Orgalime is calling for a true interinstitutional and transparent register. This includes unifying the different and often outdated procedures on physical access to the institutions of the European Union. Additionally, we feel the register should become more user friendly. These measures should help to better focus on the true value of such a register: to know whose causes interest representatives of all types represent, and who is funding them. •

# Research, Development & Innovation



Željko  
Pazin



Rozenn  
Maréchal



Jackie  
André

With the digital transformation of engineering in full swing, effective support for research, development and innovation (R&D&I) will be crucial in helping European enterprises master the transition. This year saw the half-way mark reached by the EU's Horizon 2020 Framework Programme (FP), and the debates on its successor FP9 are already underway. Orgalime has been busy making sure the needs of the engineering industry are heard by EU decision makers at this pivotal time, while continuing to monitor developments in the broader R&D&I landscape.



## EU FRAMEWORK PROGRAMMES

### Horizon 2020

Over the last year, Orgalime's work in R&D&I policy has primarily revolved around the EU's current Framework Programme Horizon 2020 and the future direction it will take. Horizon 2020 is funded to the tune of nearly €80 billion over seven years, of which €17 billion goes to the Leadership in Enabling and Industrial Technologies pillar – supporting industrial technology development and innovation projects that are of great value to the engineering industry. A number of action areas under the Societal Challenges pillar – related to energy, transport and resource efficiency, for example – are also of high relevance for our industry.

To mark the halfway point of the current programming period, the Commission held a public consultation in early 2017 to gather stakeholder input that will feed into a mid-term evaluation of Horizon 2020's performance. For Orgalime, this was a chance to underline our support for EU R&D&I, while highlighting future priorities and where we see room for improvement.

We contributed to the consultation in January and simultaneously published a position paper on the review, which was circulated among seven Commissioners and Vice Presidents of the European Commission. Our main message was that the EU should use R&D&I funding to build on its strengths – with engineering being one of Europe's major assets. Moreover, we called for the Leadership in Enabling and Industrial Technologies pillar to be maintained with its current budget, and for the continuation of Public-Private Partnerships (PPPs) that are providing a boost to Europe's competitiveness, especially the Factories of the Future PPP that serves the broader manufacturing sector, including many SMEs.

A further point stressed in our position paper is the importance of safeguarding data confidentiality in industrial research projects. This is particularly relevant considering the move towards 'open data' in Horizon 2020 over the last year, as the Commission has decided to make open research data the default setting for projects from 2017 on. Orgalime met with Commission representatives in late 2016 to discuss this policy and to communicate our position that the sensitive nature of data involved in industrial research means that an open data policy can make firms more reluctant to participate in projects.

Orgalime is closely following the work of the High-Level Group dedicated to maximising the impact of EU R&D&I programmes (the 'Lamy Group'), and has proposed an expert to join its ranks. We will continue to promote our priorities for industrial collaborative research to the European Commission, European Parliament and Council, particularly as the debate over the future of FP9 ramps up in the coming months.



## FP9

In parallel to the mid-term review of Horizon 2020, the discussion on the next EU research Framework Programme (FP9) is already underway. Orgalime believes that FP9 should continue to support industrial collaborative research, that grants are needed for excellent R&D&I, that the European added value lies in the dynamics arising from consortia, and that the excellence principle is key.

In March 2017, we presented these priorities in a position paper outlining Orgalime's preliminary views on the future shape of FP9. Our central message is that FP9 must concentrate on the competitiveness of Europe's manufacturing and specifically engineering industries in a globalised world, if EU research funding is to deliver tangible benefits to growth and employment. We will continue our dialogue with the Commission and other stakeholders to ensure this message is heard during these initial discussions and beyond.

## Public-Private Partnerships (PPPs) and Joint Technology Initiatives (JTIs)

Regarding EU PPPs, Orgalime has continued to support the European Factories of the Future Research Association (EFFRA) – the Commission's partner for implementing the Factories of the Future PPP. In addition, we have been monitoring other PPP and JTI programmes of relevance for the engineering industries. Commission has decided to make open research data the default setting for projects from 2017 on. Orgalime met with Commission representatives in late 2016 to discuss this policy and to communicate our position that the sensitive nature of data involved in industrial research means that an open data policy can make firms more reluctant to participate in projects.

Orgalime is closely following the work of the High-Level Group dedicated to maximising the impact of EU R&I programmes (the 'Lamy Group'), and has proposed an expert to join its ranks. We will continue to promote our priorities for industrial collaborative research to the European Commission, European Parliament and Council, particularly as the debate over the future of FP 9 ramps up in the coming months.

**Our main message is that the EU should use R&D&I funding to build on its strengths – with engineering being one of Europe's major assets.**





## INNOVATION INITIATIVES

### European Innovation Council (EIC)

The Commission's plans to create a European Innovation Council (EIC) were also on Orgalime's radar this year. In a position paper published in late June 2016, we underlined how important it is for Europe to focus on industrial leadership through support for collaborative industrial research and innovation. Orgalime would welcome the EIC as a platform for an in-depth discussion on what is missing and needed in terms of an environment favouring innovation and maintaining manufacturing in Europe. Orgalime will continue to carefully monitor developments and advocate for a focus on collaborative industrial innovation and its relationship to the market.

### Nurturing innovation

Orgalime also keeps track of the latest developments in the broader innovation environment at EU level. For instance, the European Institute of Innovation and Technology (EIT) last year published a call for the establishment of a Knowledge and Innovation Community (KIC) for added-value manufacturing, with the aim of forming a cross-border partnership for advanced manufacturing. However, as the proposal submitted did not meet the specifications of the EIT, no KIC was ultimately created. At the end of March, the EIT announced plans to re-launch the competition for a new innovation community, EIT Manufacturing. Orgalime will continue to monitor progress.

Another initiative of interest for Orgalime's industries is the European Technology Platforms (ETP) that offer a forum for discussion on a range of subjects. A number of Orgalime members participate in the Manufuture ETP, which focuses on future industrial transformation in Europe. Similarly, European Innovation Projects (EIPs) on topics such as raw materials and smart cities can bring stakeholders together and foster networking between cities and technology providers. Orgalime follows the progress of both the EIP and ETP initiatives throughout the year.

Beyond R&D&I programmes specifically, a significant proportion of EU regional funds are allocated to supporting innovation – for example, within the framework of 'Smart Specialisation' strategies at national level. Orgalime contributed to the Commission's public consultation on Smart Specialisation in March 2017, highlighting its positive impact, and we encourage members to look at funding possibilities in this context at national and regional level. •



# Energy, Environment & Climate Change Policy



Sigrid  
Linher



Stéphanie  
Mittelham



Maria Chiara  
Detragiache



Toma  
Mikalauskaitė



Deborah  
Girasa

Navigating the EU energy and environment policy landscape is a central aspect of Orgalime's work. Our focus this year has continued to centre on the Juncker Commission priorities of Energy Union and the Circular Economy, with an emphasis



on how the digitisation of industry can unlock synergies and drive progress in both arenas. In the energy sphere, we warmly welcomed the release of the Commission's Clean Energy for All Europeans package – and have been advocating rapid and ambitious action to ensure it delivers on its potential. At a technical level, Orgalime has continued to push for greater consistency between the various strands of environmental policy as new legislation gets underway.

## ENERGY

### Energy Union: From international commitments to action at home

The EU's ratification of the Paris Agreement in October 2016 was a landmark achievement, and one that we praised in our press release marking the occasion. The rapid approval process demonstrated the EU's capacity to make good on political commitments while reviving investor confidence in energy- and resource-efficient technologies. The Commission followed up on this success with the release of the Clean Energy for All Europeans Package in November 2016 – a move that is in our view urgently needed as a step towards concrete implementation of these international commitments at home, and as a boost to jobs, growth and innovation in Europe. We had previously commented on the Climate Package of July 2016, promoting more energy efficiency, more renewable energy sources, and smart, flexible distribution grids to accommodate them.

### Clean Energy for All Europeans Package

Featuring no fewer than eight legislative proposals, the Clean Energy Package is designed to bring the EU energy policy acquis up to speed and to deliver on the Paris commitments at home. During the preparatory phase, Orgalime responded to all related stakeholder consultations, organised two high-level events at the European Parliament – together with the European Forum for Manufacturing (EFM) – and presented our main recommendations in a letter to Commission President Juncker. Our thoughts on how to advance and make the energy transition a success were discussed with Commission Vice President Šefčovič in meetings in 2016 and 2017.

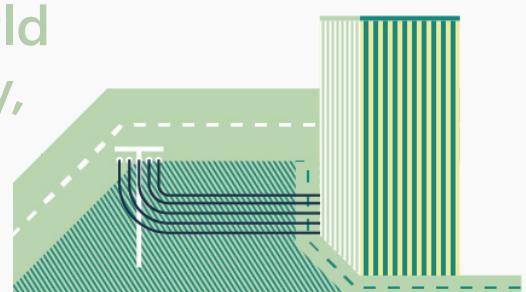


In a press statement and an open letter to MEPs and the Council, we warmly welcomed the Clean Energy Package: it places energy efficiency first, pursues EU world leadership in renewable energy, and can provide a fair deal to consumers who are increasingly active in producing energy themselves – all aspects that we fully support. Our subsequent position paper provided detailed comments on the proposal in its entirety, highlighting the importance of the package in terms of generating innovative jobs and growth and modernising Europe's energy system to the benefit of all citizens. In a press release in early March, marking the kick-off of the Parliament and Council debates, we called for a timely, ambitious and comprehensive outcome on the package. Plus, Orgalime was selected as one of eight strategic partners for the European Sustainable Energy Week 2017, and spoke at the Commission High Level Conference opening session together with DG Energy's Commissioner Arias Cañete and Director General Dominique Ristori.

## Energy efficiency first

Two core elements of the Clean Energy Package are the proposed reviews of the Energy Efficiency Directive (EED) and Energy Performance of Buildings Directive (EPBD). Considering the wide-ranging socio-economic benefits of energy efficiency, Orgalime promotes strong reviews of these Directives. We provided our recommendations for maximising the potential of such a review; for example, in our analysis of the review options in May 2016, our detailed position on the Clean Energy Package, and our political letters to the European Council and the Maltese Presidency in 2017. Energy efficiency is an opportunity for all – and we call for regulators to take timely and ambitious decisions. Now that eco-design and energy labelling legislation have successfully boosted the energy efficiency of individual appliances, efforts should be directed to the level of the systems incorporating these products. Further actions taken to promote this message over the past twelve months have included co-hosting an EFM event with MEPs at the Parliament, and hosting a Commission workshop on 'Smart Buildings'.

We warmly welcome the Clean Energy Package: it places energy efficiency first, pursues EU world leadership in renewable energy, and can provide a fair deal to consumers.





## Internal Energy Market

The Clean Energy Package also proposes amendments to the Electricity Directive, the Electricity Regulation, the ACER Regulation and the Risk Preparedness Directive. Our position paper on the package provided in-depth recommendations on the changes put forward, communicating our view that a well-functioning integrated energy market is the best tool to guarantee affordable energy, security of supply and the overall environmental sustainability of Europe's energy system. We promoted this message throughout the year, in our response to the Commission's public consultation on market design, for instance, and our comments to the Council on the market design debate. Plus, we contributed to a number of stakeholder events in Brussels and beyond, including for the first time in the 'Florence Forum'.

## Modernised energy and transport infrastructures

A successful internal energy market will require energy and transport infrastructure modernisation. Orgalime has remained active in this area over the last twelve months: we continued our work in the EU Smart Grids Task Forces, and are now a member of the new Energy Infrastructure Forum and the two new European Stakeholder Committees on Grid Connection and System Operation. Besides, we have increased our activities on network codes and their implementation, while establishing regular links to ACER and ENTSO-e. Moreover, we tackled energy infrastructure issues of importance to our members in a number of position papers, through dialogue with the Commission and at multiple stakeholder meetings.

With the rising importance of e-mobility as a use case for smart grids, Orgalime has become a recognised stakeholder in this area. This year, we progressed with our work on smart charging and the Alternative Fuels Directive – monitoring issues related to the Directive's implementation as a member of the Commission's Sustainable Transport Forum. We continue to promote our position on alternative fuels and have increased our activity in the area of Intelligent Transport Systems (ITS), participating in the Cooperative ITS platform and publishing a position paper in September 2016.

## ENVIRONMENT Resource efficiency (RE) and circular economy (CEP)

A year on from the launch of the Circular Economy Action Plan, the Commission issued an implementation report in January outlining priorities for 2017 – giving prominent placement to the interface of waste, product and substance policies.

This spring, we are preparing a position paper on the interface of these three policy strands, providing suggestions on how to improve consistency for the sake of better resource efficiency and a strengthened circular economy. Orgalime is convinced that digitisation will be a key driver in this regard, something that has also been recognised by the Council in its Conclusions on the Action Plan. We promoted this message not only in our 2016 position paper on the circular economy, which outlined how the circular economy and resource efficiency can work with and for manufacturing, but also in political letters to decision makers in March 2016 and in detailed comments and high-level intervention ahead of the Council meeting of June 2016. Finally, we also participated in the first Annual Circular Economy Conference, held jointly by the Commission and the European Economic and Social Committee.

**Our view is that with the potential for energy efficiency at appliance level reaching its technical limits, it is time to shift focus to achieving gains at the systems level.**



## Product policy

The last twelve months in EU product policy have been characterised by intense debates on the future of the Ecodesign and Energy Labelling Directives. On ecodesign, Orgalime summarised its key recommendations for the future of the Directive ahead of debates in the College of Commissioners. As outlined above, our view is that with the potential for energy efficiency at appliance level reaching its technical limits, it is time to shift focus to achieving gains at the systems level. We were therefore happy to see the new Ecodesign Working Plan 2016-2019 embedded in the wider vision of the Clean Energy Package. Orgalime will continue to contribute to the debate, including through our active involvement as a member of the Ecodesign Consultation Forum.

At a technical level, in January 2017 we commented on the Draft Regulation for Electronic Displays – a test case showing the challenges of developing concrete end-of-life product requirements when requirements more often than not cannot be measured, making enforcement difficult, if not impossible.

Turning to energy labelling, over the last year we have tracked the legislative process closely as the institutions worked towards agreement on a new Energy Labelling Framework. In a position paper, joint industry recommendations, and at events in the European Parliament, we voiced our support for returning to the A-G label and our appreciation for the progress made on rescaling; remaining reserved, however, about the introduction of an energy labelling product database that is unlikely to effectively



address market surveillance issues, but will once again just add administrative burdens on the shoulders of manufacturers.

## Waste policy

If a circular economy is to develop bottom-up, an effective waste policy is key. Orgalime therefore welcomed the Commission's Waste Legislative Package as an opportunity to close current legislation loopholes. We have closely followed the legislative process, communicating our industry's position to the Parliament and Council at every stage. In our February 2017 position paper, we warned against building the circular economy at the expense of the Internal Market for products – one of Europe's biggest achievements. We also released several position papers and press releases ahead of key committee votes in the Parliament. Regarding the sector-specific Waste Electrical and Electronic Equipment Directive (WEEE 2), Orgalime now has 15 years' experience working with its implementation. This has fed into our active monitoring of existing and planned implementing measures over the last twelve months, and we have continued to communicate the needs of our industry by providing input and comments to the Commission on a number of issues.

In our February 2017 position paper, we warned against building the circular economy at the expense of the Internal Market for products – one of Europe's biggest achievements.



## Substance policy

Over the past year, Orgalime has continued to closely follow developments in EU substance policy affecting engineering firms – primarily related to the Directives on the Restriction of Hazardous Substances (RoHS) and the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). In January 2017, the Commission proposed an RoHS amendment to permit secondary market operations and supply of spare parts for equipment newly covered by the Directive – something that is in line with circular economy objectives, as noted in our March 2017 position paper. Orgalime is now following negotiations in the European Parliament and Council.

In 2017, we participated in the Commission's public consultation on its REACH evaluation. Our viewpoint is that while room to improve exists, REACH is generally



fit for purpose and there is no need to amend it at this stage; rather, implementation should be further improved. Over the last twelve months, we have continued to carefully monitor REACH implementation as it increasingly shifts to areas affecting article manufacturers, such as the newly suggested REACH restriction on four phthalates. To avoid overlap with the sector-specific RoHS Directive, we argued for removing electrical and electronic equipment from its scope.

Moreover, we contributed to the European Chemicals Agency ECHA's Expert Group on the revision of existing REACH guidance on requirements on substances in articles – an issue we will continue to raise with the EU institutions, as the draft guide does not in Orgalime's view give sufficient clarity to industry. We co-signed a joint industry letter to support REACH authorisation requests for the use of chromium trioxide in certain applications of great importance to our industry, and continue our engagement in the Strategic Management Team of the cross-industry project for the submission of requests for renewal of existing exemption under RoHS. Finally, and in the interest of consistency of legislation, Orgalime provided input to a draft study mandated by the Commission to develop a strategy for a non-toxic environment for the EU in the autumn of 2016.

## Industrial Emissions Directive (IED)

Orgalime has continued to monitor and assist the Commission in the implementation of the Industrial Emissions Directive (IED), by coordinating participation of our industry's experts in the review of 'Best Available Techniques' reference documents (BREFs). These are developed together with industry; we regularly update our members on the IED and BREFs, and they in turn have shown increasing interest in participating in the development process. We provided experts to the Technical Working Groups assisting the Commission's Joint Research Centre in drafting new BREFs or revising existing ones. Moreover, we represented the industry at the Article 13 Forum in October 2016, an expert group to provide opinions for the Commission on the proposed content of the BREFs. •

# Communications



Georgiana  
Huiban



Anna  
Dunne



Alex  
Schiphorst

Under the banner of ‘connecting the dots for industry’, this year’s annual report highlights the importance of a joined-up approach to the policy challenges facing the engineering sector. Yet it is increasingly clear that communication, too, needs to become an integral part of this work. If we needed a reminder that effective communication is not simply a ‘nice to have’, the last twelve months have served up more than a few cautionary tales: from the failure of the Remain camp to sell the benefits of the EU to Brexit voters, to the very real influence of ‘fake news’ in election



campaigns on both sides of the Atlantic. And here in Brussels, the turbulent political climate has prompted soul-searching on how best to reach out to citizens that are indifferent – even hostile – to the EU. How can policymakers and stakeholders effectively explain how Europe benefits its citizens? And how can Orgalime, as an industry association, effectively communicate the value of our sector to the EU's economy and society – and the value of Europe, too?

## COMMUNICATIONS AT ORGALIME

These are big questions, and arriving at the answers will take time. But as with any journey, it will comprise a series of individual steps. This year, we have taken a number of such steps within Orgalime to bring our work closer to the audiences who matter. First of all, in 2016 our individual departments took to Twitter for the first time: there are now dedicated accounts for Orgalime Internal Market & Standardisation (@OrgalimeIntMkt), Energy & Environment (@OrgalimeENVI), Trade (@OrgalimeTrade), and R&D&I (@OrgalimeRDI). These provide a direct channel for us to connect with policy communities, where our advisers can tweet and engage with stakeholders in their areas of expertise.

Connecting with a broader audience also means tailoring our communications to the realities of how people consume content today. And this increasingly means digital communication: whether on a smartphone, tablet or office PC, reading on screens has become second nature. We have responded by embracing the possibilities offered by the digital world. For the first time, our full 2016-17 annual report is 'online only'; the same was true of our 2016 Vision Paper update. Online publications allow us to reach more people, are easier to share, and offer dynamic, interactive design options that invite engagement. A second key change this year has been the overhaul of our three newsletters, which not only feature a fresh look and feel but also a new format. The email newsletters deliver the headline information directly to subscribers' inboxes in a compact overview – and for those who want to dive deeper into a topic, the details are just a click away. For readers, we hope this will mean greater convenience and flexibility; for us, the statistics generated offer insight into how our audience interacts with our content and how we can improve it. In addition, we have been working to diversify our communication tools beyond visuals and text: from our Manufacturing at Heart podcasts launched in 2015 to the more recent webinars on policy issues launched by some of our team, we can now speak directly to a larger audience about our work and our industry.

To make a lasting connection with an audience, recognition value is a major asset. This is why we have taken further steps to strengthen the unified look and feel across Orgalime communications – from our publications, to our newsletters and social media platforms. In our approach to graphics and design, the aim is to go beyond the formal ‘visual identity’ of our classic logo and wordmark, towards creating a ‘visual personality’ that embodies the dynamic and innovative nature of our industry. In this way, visuals can succeed where words alone can struggle – prompting a positive emotional response that bolsters the image of engineering as a vibrant and, indeed, creative sector. Working with graphics offers another benefit, too: it forces us as communicators to take complex policy issues and distil them down to their essence, making Orgalime’s key messages as broadly accessible as possible.

## CONNECTING WITH MEMBERS

Another kind of connection that is invaluable to our work is the interaction between Orgalime as the European-level engineering industry association and our national member associations. Without the support of this network, we risk speaking only to the ‘Brussels bubble’ – whereas input from members helps ensure that our communication accurately reflects the reality on the ground, and that our messages filter down to companies and employees in each Member State. To tap into the insights of these national communities and to discuss ideas for the future direction of our communication strategy, we relaunched the Communications Working Group at the Orgalime General Assembly in November 2016. We hope to build on this initial step towards greater collaboration in the coming months – for example, as we work on plans for a new campaign on the digitisation of industry, to be developed over the second half of 2017.

**Staying in our comfort zone is no longer an option: now is the time to reach out, to connect, and to speak up for our industry and for European solutions to the challenges we face.**





## CONNECTING WITH CITIZENS

One message that came through loud and clear from our colleagues in the national associations is the urgent need to take our communications beyond the ‘Brussels bubble’ and to connect directly with European citizens. On the one hand, we must make the case for our industry as a source of employment, growth and solutions to societal challenges – through actions such as our ongoing Manufacturing at Heart campaign. On the other hand, we must make clear the value of the EU Internal Market and free trade to the success of our companies. How can we sharpen these messages and broadcast them successfully going forward? Horizontally, we can learn much by continuing our involvement with the broader EU communications community and our counterparts in other sectors. But most importantly, it will involve strengthening our vertical channels and working together with our colleagues at national level. This will be the key to convincing citizens – those working in our sector and beyond – that what happens in Brussels really does impact positively on their daily lives. It is clear that staying in our comfort zone and talking among ourselves is no longer an option: now is the time to reach out, to connect, and to speak up for our industry and for European solutions to the challenges we face. •

# Publications



Željko  
Pazin



Jackie  
André



Silvia  
Selandari

## Orgalime legal publications simplify and rationalise business contractual relations

Orgalime's Legal Affairs Working Group drafts legal publications that are of service to companies working in the industries we represent. The aim of these publications is to provide the European engineering industries with standardised general conditions and models of business contracts, and to give practical advice on frequently occurring legal questions. The publications are, for the most part, written by the heads of the legal departments of Orgalime's member associations.

The first Orgalime legal publication was issued in the 1950s and the current listing includes 25 titles. The Legal Affairs Working Group monitors new or changing legislation and adapts the publications accordingly, keeping them up-to-date and relevant to the needs of businesses. Thousands of companies in Europe and worldwide



use these documents for their business relations – a testament to the publications' success.

The publications fall under three categories: model forms, guides, and general conditions of contract.

The general conditions, model forms and some of the guides are intended to provide practical assistance for companies when drawing up various types of contracts commonly used in international trade. The guides also cover other contractual and legal issues of particular relevance for the engineering industry, such as European competition law.

All general conditions and model forms have been designed to reflect normal contract practice in industry. It should be noted that Orgalime represents the interests of both buyers and sellers, licensors and licensees, and so on, as the engineering industry is its own main customer.

## The standardised general conditions enhance the security of transactions, simplify negotiations, and ease the drafting of contracts and contractual relations

Orgalime's legal publications provide companies with a model for each 'business case' in B-2-B relations (for example product supply, product installation, repair, maintenance, etc.), playing an essential part in business transactions, especially for the supply of goods and services.

The most popular general conditions are the Orgalime S 2012 for the Supply of Mechanical, Electrical and Electronic Products, and the SI 14 for the Supply and Installation of Mechanical, Electrical and Electronic Products.

## NEW RELEASES

### **Model Form of an Exclusive Contract with a Distributor Abroad**

The most popular of the model forms has been updated by the Orgalime Legal Affairs Working Group: the Model Form of an Exclusive Contract with a Distributor Abroad. This model is made for distribution agreements with distributors abroad. It is suitable for contracts with distributors that pursue their activity inside the Member States of the European Union (EU) and the other states of the European Economic Area (EEA), as well as for distributors who conduct their business outside this area. This Orgalime model contract has already existed for many decades and has always been one of Orgalime's most widely used models. Whenever necessary, it is updated to take legal

developments into account. This new version reflects the changes in EU competition law that followed from new rules issued in 2010 by the European Commission. The publication is available in English, French, German and Danish.

### **Model for an International Technology Licensing Agreement Between Non-Competitors (for use within the EU / EEA only)**

This model covers an international technology licence agreement which applies to the transfer of technology for use inside the EU and the other states forming part of the EEA.

Manufacturers constantly work to improve the quality of their products and so increase their competitiveness and output. This entails the development of new technologies, which may have an important value for the individual company concerned. There may be competitive benefits involved, as other companies may not yet have reached a comparable technological level. It is therefore essential that this new technology is protected against unauthorised use by other companies. The company may commercialise the new technology by using it in its in-house manufacturing process and/or by making it available to other manufacturers interested in using it for their own manufacturing process. The conditions for the use of the new technology by other manufacturers are the subject of what is known as a technology licensing agreement.

The Orgalime Legal Affairs Working Group has always been aware of how important it is for industry to have a good model for technology licensing agreements and has published suitable texts for many years, taking into account the interests of licensors and licensees alike and the special provisions in law for licensing agreements. Competition law, in particular, has always been an important set of rules to be observed in this context. The present model takes into account the new EU competition rules for technology licensing agreements (Regulation No. 316/2014). This model form, released in 2017, replaces the 2005 edition.

**Orgalime's legal publications provide companies with a model for each 'business case' in B-2-B relations, playing an essential part in business transactions.**





## Upcoming releases

The Legal Affairs Working Group is currently working on the update of the following legal publications: Maintenance Conditions (M 2000) and Repair of Machinery Conditions (R 02).

The following new legal publications will also be released: Supplementary Conditions to Orgalime S 2012 for Minor Installation Work (MI 16), Conditions for Standards Goods, and a Consultancy Agreement.

## Language availability

Our publications are for the most part available in several language versions, mainly English, French and German. Our S 2012 General Conditions are available in 16 languages including Turkish, Russian and Chinese.

## HOW TO ORDER How to order Orgalime publications?

Orgalime publications are available from Orgalime member associations. A list of members as well as the specific contact details can be found on Orgalime's website <http://www.orgalime.org/page/how-order>

## Digital version of the general conditions

Companies that would like to attach an electronic version of Orgalime's General Conditions when sending tenders and contracts by email to their customers and suppliers must obtain a special licence agreement with Orgalime to do so. These licensing agreements can be obtained through our licensing website <https://licensing.orgalime.org>

Further information on the legal publications and their language availability can be found on our website <http://www.orgalime.org/page/legal-publications-guides>

## LIST OF PUBLICATIONS

### General conditions

- General conditions for the supply of mechanical, electrical and associated electronic products – S 2012
- General conditions for the supply and installation of mechanical, electrical and



### electronic products – SI 14

- Supplementary conditions for the supervision of installation of mechanical, electrical and electronic products – S 2012 S
- General conditions for computer software – SW 14
- General conditions for maintenance – M 2000
- General conditions for the repair of machinery and equipment – R 02
- General conditions for the manufacture and supply of specially designed components – SC 06
- General conditions for series processing – SP 99

### Model Forms

- Consortium agreement
- Contract for technical work on site
- Exclusive agreement with agents abroad
- Exclusive contract with a distributor abroad
- International technology licensing agreement between non-competitors (within EU/EEA area)
- International technology licensing agreement (outside EU/EEA area)
- Non-disclosure agreement
- Original equipment manufacturer contract (OEM contract)
- Turnkey contract for industrial works

### Guides

- Co-operation agreements: A short guide to the creation of a joint venture
- Drawings and technical documents – Ownership and protection against improper use
- European Competition Law in practice – 30 key points
- Guide for drawing up an international development contract
- Guide to contractual options for B2B equipment under WEEE
- Guide to defect liability in Europe
- Orgalime General Conditions S 2012 – Guide on their use and interpretation



- Security for payment in credit sales
- Understanding WEEE & RoHS Guide

**Guides available for free download on our website**

**<http://publications.orgalime.org>:**

- A Practical Guide to Understanding the Specific Requirements of CPR
- Alternative Fuels Infrastructure Guide
- Guide on Assembly under PED
- Guide on the Pressure Equipment Directive
- Guide on the Recast RoHS Directive
- Orgalime Practical Guide for downstream users, article producers and article importers for understanding REACH
- RoHS Guide
- RoHS Recast Scope Guide
- WEEE & RoHS Scope Guide •



# Orgalime Partnership



Olivier  
Janin



Pierre  
Lucas



Anne-Claire  
Rasselet



Laure  
Dulière



Claire  
Grossmann



Paul  
Wilczek



Ioana  
Smarandache



Georgiana  
Huiban



Janet  
Almond



Alina  
Burlacu



Ilona  
Pogacar



The Partnership is the Orgalime department working directly with the sector associations of the engineering industry. With a multidisciplinary team of advisers, it offers tailored services ranging from monitoring and advocacy to association management, communication and strategy.

The Orgalime Partnership was created more than 15 years ago to meet the needs of various European sector associations: a Brussels representation, targeted information, visibility and recognition as the voice of their sector, and advocacy for regulation and policy. Now with its team of 11 dedicated staff, it offers services to 9 associations (both Orgalime members and non-members) and a full secretariat to another 11.

**15**  
YEARS IN  
OPERATION

**20**  
ASSOCIATIONS  
SERVED

## SERVICES

### Partnership services

Based on the needs of the sector associations, the Partnership has developed several tools and services that lie at the core of its work:

**The Orgalime Partnership bulletin, issued 5 times a year**, provides comprehensive targeted information on EU laws, proposals, programmes and legislative developments.

**The monitoring service** includes an early warning system for developments on priority issues and support for the legislative process.

**Advocacy tools** cover communication, public relations and public affairs activities.

**Association management** or general secretariat services ensure professional and flexible support, tailored to needs and budget.

**Business intelligence** comprises research, market surveys and statistics on industries.

**Project management and support** is provided for clearly defined activities such as working groups, platforms and industry initiatives.

### FEM President, Christophe Lautray

“FEM values the service from and relationship with Orgalime. As President of FEM, I have put the collaboration with Orgalime among the priorities for my mandate.”

#### The Orgalime Partnership offers full secretariat services to:

- AREA - Air conditioning and refrigeration contractors
- CEIR - Taps and valves
- EGMF - Garden and turf equipment
- EIA - Irrigation association
- ESMIG - Smart energy solution providers
- Europump - Pumps
- FEM - Materials handling, lifting & storage
- FEM-Intralogistic Systems (FEM-IS) - Materials handling & storage
- GCP-Europe - Heating, ventilation, air conditioning and plumbing contractors
- Pneurop - Compressors, vacuum pumps, pneumatic tools and air & condensation treatment equipment
- T&D Europe - Electricity transmission & distribution equipment and services

#### The Orgalime Partnership also offers dedicated services to:

- CEMEP - Electrical machines and power electronics
- CEO - Hand tools and anchor fixings
- EFCEM - Catering equipment
- EIFI - Fasteners



- EPTA - Power tools
- EURALARM - Fire & security systems
- EUROPACABLE - Wire and cables
- EUROVENT - Refrigeration, air conditioning, air handling, heating and ventilation

### EGMF President, Wolfgang Simmer

“I have worked for quite a long time for EGMF, first in the Marketing Committee, later in the Board and since last year as President. I really appreciate our relationship and cooperation with Orgalime. As EGMF, we cannot succeed as a stand-alone federation; we need negotiations and contact with other federations. We consider Orgalime as the ideal platform to do this.”

## HIGHLIGHTS OF THE PAST YEAR

### Modernising our communications

In an effort to continuously improve our services and stay relevant to our sectors, we went through a review process of our information tools. We received constructive feedback from the sectors and we have already implemented most of the recommendations:

- We have started setting up dedicated webinars on broad policy areas (for example on the internal market, environment, energy, and digital agenda) to cover a number of specific cross-sectoral issues. These webinars are complementary to the early warnings and the Information Bulletin, which are part of the Monitoring Package. The aim is to provide a brief update on selected issues of interest with a focus on next steps and possible challenges for the engineering sectors.
- The Information Bulletin has a fresh look and now includes an editorial article in each edition covering a current topic of cross-sectoral interest.
- Briefing Notes are now an integral part of the monitoring package and will be published when a new initiative comes up or when new legislation is adopted, in order to give a full analysis and explain the process, the next steps and the impact on the sectors.
- On-request regulatory updates for internal meetings can now be arranged for all the issues covered by the advisers and will consist of a personalised presentation for the

sector requesting them.

- Digitisation is a new topic included in the early warnings.

In 2016 we implemented new communication tools for the sectors, with the help of a dedicated adviser on communications. Social media and visual communications have been the focus so far and the plans for 2017 include media relations, automation and measurement of communication channels.

## Working together

The main strength of the Orgalime Partnership comes from bringing together different sectors from the engineering industry. This allows an immediate and regular exchange of information on issues of mutual interest, and fosters a cooperation-based environment that benefits everyone.

**Orgalime Director General, Adrian Harris**

“Belgium’s motto is ‘union makes for strength’: this is as true for our job here in Brussels as it is at national level. Working with the sectors of our industry in the Orgalime Partnership when we have common issues helps us to be stronger and to achieve our common objectives. On an everyday basis too, sharing information in our network saves time and money and makes us all the more efficient and effective for our members. It just makes sense...”

Here are some examples of successful joint initiatives from the past year:

- Several sector associations actively contributed to Orgalime’s work and comments on the Machinery Directive Guidelines, resulting in the delivery of a solid input to the European Commission. The Commission then invited Orgalime and the sectors to be part of an Editorial Working Group, set up specifically to work on the text of the Guidelines, and to reach compromises between different delegations.
- 128 industry associations, including Orgalime and nearly all associations in the Partnership, signed a Joint Declaration for an ambitious EU Industrial Strategy. The initiative caught the attention of policymakers across the board, with positive responses coming from the Council and the Commission, in particular.
- FEM and EGMF cooperated with other industry associations on publishing a



common guide to the Non-Road Mobile Machinery Regulation.

- AREA and GCP Europe are working together on a joint position paper on the Energy Performance of Buildings Directive.
- CEIR and EUROPUMP are building common positions in the context of the ongoing review of the Drinking Water Directive.
- ESMIG and Orgalime organised a Joint Workshop on smart homes and buildings in order to share experiences and discuss challenges and opportunities with energy stakeholders.
- ESMIG and T&D Europe have submitted a joint proposal for organising a policy workshop during the European Sustainable Energy Week 2017, on “Free flow of Energy Data: empowering consumers and improving network management”. •

# Orgalime Team



It has been a busy year for the Orgalime team in Brussels, with several new colleagues joining our ranks. In fact, we now total 29 employees, hailing from all over Europe. Summer 2016 brought a move to new offices: although still in the same building, the new layout brings all the staff together on the same floor – making for a more collaborative environment. And our new facilities include a number of spacious meeting rooms where our members can feel at home when attending working group and task force meetings.



# Members

AUSTRIA



FEEI



FMTI

BELGIUM



AGORIA

BULGARIA



BASSEL

CROATIA

HRVATSKA UDRUGA  
POSLODAVACA

CROATIAN EMPLOYERS' ASSOCIATION



CEA

HGK

DENMARK



Confederation of Danish Industry

DI

FINLAND

Technology Industries  
of Finland

FRANCE



FIEEC



FIM



VDMA

GERMANY

Wirtschaftsverband Stahl-  
und Metallverarbeitung e.V.

WSM



Die Elektroindustrie

ZVEI

HUNGARY



MAGEOSZ

IRELAND



IEEF

ITALY



ANIE



ANIMA

LATVIA

Association of Mechanical Engineering and  
Metalworking Industries of Latvia

LITHUANIA



LINPRA

LUXEMBOURG



Fedil Metal

THE NETHERLANDS

POWERED  
BY DUTCH  
TECHNOLOGY

FME

METAALUNIE

NORWAY



Norsk Industri

PORTUGAL



AIMMAP

SLOVENIA



GZS-MPIA

SPAIN



SERCOBE



SWEDEN



Teknikföretagen

TEKNIKFÖRETAGEN

SWITZERLAND



SWISSMEM

UNITED KINGDOM



BEAMA

Engineering and  
Machinery Alliance

EAMA

AUTOMATION  
INSTRUMENTATION & CONTROL  
LABORATORY TECHNOLOGY

GAMBICA

## Associate Members

TURKEY



Turkish Machinery Federation

MAKFED



AFECOR



CEIR

EUROPE

European Federation of  
Catering Equipment Manufacturers

European Garden Machinery Federation

EFCEM

EGMF

EUROPE



EURALARM



EUROPUMP



FEM



PNEUROP



All rights reserved  
©June 2017, Orgalime  
Editeur responsable:  
Adrian Harris, Director General

The European Engineering  
Industries Association

BluePoint Brussels  
Boulevard A. Reyers 80  
1030 Brussels  
Tel. +32 2 206 68 83  
[secretariat@orgalime.org](mailto:secretariat@orgalime.org)  
[www.orgalime.org](http://www.orgalime.org)

Graphic design and  
illustrations:  
Atto

