

## **Wirtschaftsrat Deutschland**

Alexander De Croo,  
Prime Minister of Belgium

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EMBARGO UNTIL 4:30PM

Sehr geehrter Herr Bundeskanzler,  
Sehr geehrter Herr Bundesvorsitzender,  
Meine sehr verehrten Damen und Herren,

Es ist mir eine Ehre, heute hier bei Ihnen zu sein und die 60 Jahre Wirtschaftsrat zu feiern. Seit 60 Jahren sind Sie im Herzen der deutschen Industrie und das bedeutet natürlich im Herzen der europäischen Industrie. Es ist immerhin Ihr Geburtstag, lassen Sie uns unbescheiden sein. Am Vorabend der zweiten industriellen Revolution, um die vorletzte Jahrhundertwende, hatte Deutschland die Führung übernommen. Deutschland war nicht nur das erste Industrieland der Welt, sondern es bot auch die besten Arbeitsbedingungen: die höchsten Löhne, die kürzesten Arbeitszeiten und eine bessere medizinische Versorgung als andernorts. Nach den Worten Werner von Siemens hatte die Industrie die Aufgabe, die gesamte Menschheit zu erheben.

Today, ladies and gentlemen, our European industry has that same opportunity, that same capacity to lift up all of humanity once more. This time to overcome the biggest challenge of our lifetime: climate change.

Climate change is by far the biggest reason to keep our industry in Europe. Yes, we need a European industry because we need economic growth and we need job creation.

But we also need industry in Europe because we need climate solutions. Solutions that citizens and government can use, but that can only be invented and implemented with speed and scale by the industry. I will tell you even more. While the political horizon is set on 2050, many of our big industrial producers are moving much faster. Going for net zero emissions by 2040, or even 2035. In the past couple of years, every company event I attended – from the opening of new offices, to new storage places, all the way to new blast furnaces for steel – they were centered around driving down greenhouse gasses faster than what governments asked from them. Our companies do not get enough credit for this.

Ladies and gentlemen,

Some claim the way forward is de-growth; the myth that we can combat climate change with a strategy of less. Less growth, less consumption, less investment. This will never work, because it is completely contrary to our human nature. People want to move forward in life, not backward. The same is true for humanity as a whole. Humankind has never solved its big endeavors by putting progress in reverse. The contrary is true.

Our way forward is a strategy of more, but better. More but different. Disconnecting economic growth from CO2 emissions. And we are managing in doing so: since the mid 1990s, there is a structural disconnect; one that keeps widening. Last year alone, the European economy grew by 1.5 % while greenhouse gas emissions went down by 4%. Thanks to technological progress, invented by and implemented by our industry.

So, the real drama for the world, the real drama for all who cares about the fight against climate change, would be if industrial production would shift away from Europe, towards Asia, Africa or even America. Which is a real risk today.

The question in front of us is: how do we continue to grow our European industry?

The answer is: with a European Industrial Deal at the same level of a European Green Deal. Not in opposition to each other but to reinforce each other.

For this, we need to do three things.

- (1) Number one: we need to make some clear policy choices. Focus more. Let's not make the mistake doing everything at the same time.
- (2) Number two: Europe needs to make a shift. Today, we are a continent of sticks. We need to become a continent of carrots. But European carrots, not 27 national carrots of different sizes and shapes. (No worries, I will explain what I mean later).
- (3) And number three: we need more energy, produced here in Europe: cheap, green and a lot of it.

## **FOCUS**

To start with number one: focus.

The problem with European government and governments in Europe today, is that too often, we slice our legislation instead of planning a clear way ahead. For example: for cars, we are currently discussing the Euronorm-7 for combustion engines in 2025, while at the same time our production platforms are speeding up the production of electric cars. Is this the most effective way forward?

The same with the revision of REACH or the new Nature Restoration Law: is this the right time for these new legislations when our industry is crucial to make the energy transition happen?

By overburdening people with rules and regulations, we risk losing public support for the green agenda. We have done a good job in convincing people that climate change is real and it is manmade. That it will mean hard work to tackle it, but that it can be done. Let us not lose this momentum by overburdening ourselves with challenges that are not as life threatening as climate change. We need to keep our eye on the ball and that means: driving down green house gasses. Otherwise, we risk tackling ourselves on the way to climate neutrality.

This does not mean we cannot have any other lower ranked priorities; like nature restoration, pesticide control or soil quality. But this means we have to be more coherent and do a better job in providing our industry with a stable and predictable framework.

## **FROM STICKS TO CARROTS**

Which brings me to my second point: the shift we need to make from sticks to carrots. The EU has always taken the lead in greening the economy via regulation. The stick so to speak.

But with the the Inflation Reduction Act, America is holding up a mirror to Europe. It is clear that America is not a land sticks but a land of carrots. America has lower energy prices than Europe, lower industrial wages, and now they add subsidies to the equation. It is time to shift gears in Europe. It is time for us to become a continent of carrots, of public support for clean tech investments.

But under clear conditions:

- First of all, this support should not only be given on the national level, in a national logic, but first and foremost in a European logic. To match your business logic which is an international one, rather than a national one. And to keep the integrity of our internal market. We absolutely need to avoid a subsidy race that will distort our greatest asset.
- The second condition is ‘no helicopter money’. The public support should be strictly linked to investments and technologies that aggressively drive down greenhouse gas emissions, regardless of which sectors. It is not up to politicians to make choices between sectors.

We should to aim high. To develop the technologies of the future that will be used worldwide – from industries in China, to the Americas, to Africa.

Clean tech, invented and produced in Europe, is the future of our internal market.

If we want to remain upright in this new – more hostile – geopolitical environment, Europe has to become leading in Clean Tech and Digital.

It will be the difference between winning the future or losing it.

The difference between having European, industrial standards that are weakness, or a strength, a way to dominate the world market in an offensive way, rather than a defensive one.

But for Europe to be a player in tomorrow’s geopolitical game, we need a third thing: to invest in an abundance of energy.

### **ABUNDANCE IN ENERGY**

It is a challenge also known as: “Where are my flying cars”?

I was born in the seventies and I remember as a kid that flying cars were always part of the vision of the future. Today, people my age, are wondering: “where are our flying cars”?

The answer is simple: flying cars are technological not that hard, but they require an abundance of cheap energy.

An abundance we do not have today. An abundance that has always been a taboo in Europe; for good reasons. Because European energy was imported fossil fuel: bad for our wallets and bad for the environment.

Today, however, we have an amazing opportunity in front of us. To break this taboo. To make the shift away from imported fossil fuels to home-grown net zero energy production.

I think we need to make this shift drastically, and accelerate the energy transition in Europe:

- By investing in renewable energy production and by investing in battery technology and hydrogen infrastructure. Beefing up existing capacities, like Chancellor Scholz is doing.
- We need to link up countries, beginning at our North Sea. This is what we decided in Ostende, one month ago: an integrated approach for our industry. Not just grids, but also hydrogen en CO2 infrastructure. One integrated approach, across the continent.
- And we need to recognize that nuclear power is part of the energy deal of the future in Europe. Especially when we can make it safer and less wasteful, nuclear should make its come-back as a reliable and carbon free baseload for our grids.

- And last but not least, by updating our trade relations and removing strategic dependencies. Reshoring our industries must become option again, not because politicians want it, but because it makes economics sense. Europe needs to build itself a position of strength from which it can negotiate with other big trade blocks. So we can enforce reciprocity as a guiding principle of our trade relations, especially with China. What is not possible for European companies in China, should not possible for Chinese companies in Europe. Let us put naivety behind us once and for all.

Ladies and gentlemen,

The European Industrial Deal should be part and parcel of the renewal of our internal market. An overhaul we desperately need. The internal market was launched exactly 30 years ago by Jacques Delors. Back in the days, it was a visionary project. But the internet had only just been invented. Meanwhile new technologies, whole new sectors have sprung to life. Next to our manufacturing industry, our steel, our chemistry, we have now a nanotech and biotech industry, we have AI and 6G. You name it. What we need is a new big step in the deepening of our internal market. One that safeguards our legacy industries while embracing the new ones. Because politicians and policy makers like to think in categories and sectors, but the reality on the ground, your reality is different, more integrated, with cross pollination and cooperation between sectors.

Let me finish by saying, I am optimistic about the future of our European industry. Because I see every day the unbelievable talent that our European companies have. From the smallest company in my home town, to the biggest trade missions.

Ich bin für die Zukunft optimistisch. Gemeinsam mit unseren europäischen Kollegen, und allen voran der Bundeskanzler, sind wir uns alle bewusst, dass wir unbedingt Maßnahmen für die Industrie ergreifen müssen. Und zwar jetzt.

Meine Damen und Herren, im Jahr 2024 übernimmt Belgien den Vorsitz des Rates der Europäischen Union. Dies alles wird unsere Bemühungen zur Unterstützung der gesetzgeberischen Arbeit und zur Festlegung unserer Prioritäten für die nächste fünf Jahre vorantreiben. Unsere industrielle Zukunft wird im Mittelpunkt dieser Überlegungen stehen.

Ich danke Ihnen.