



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL III  
INDUSTRY  
Industrial policy  
Adviser

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## ACTIVITIES OF THE EUROPEAN COMMISSION ON SERVICES TO INDUSTRY AND FUTURE PLANS

### I. HISTORY

With the growing immaterial input into the economy, the Commission is gradually turning the attention from traditional manufacturing issues to analyses of services importance and integration in Industry.

Paradoxically, services with a direct input to Industry (manufacturing and services), namely Business Services activities, are the services we know the least about.

A first attempt to exploit this area was made with the EUROSTAT publication "Business Services in Europe" from 1995. As a follow-up to this work, 4 pilot projects on respectively IT-Services, Engineering Consultancy, Labour Recruitment, and Industrial Cleaning were initiated in 1995 and 1996. The results have recently been published or will be published in the near future.

From 1996 the Commission Directorate General responsible for Industry (DG III) has been given the role of coordinating analytical work and policy formulation on Business Services inside the Commission. The result of this work is now beginning to materialise.

### II. ACTUAL SITUATION

A factual Report describing and analysing the current situation intitulated "Industrial Competitiveness and Business Services" was published in April 1998 and forwarded for information to the Council of the European Union [can be distributed]. Apart from its economic analysis, the Report deals with the existing EU framework for Business Services statistics and assesses the future needs for data collection and research.

A more operational initiative in the form of a draft Commission Communication to the Council is under elaboration for discussion on the 16/11/1998. This Communication proposes 17 policy actions to be undertaken inside a common

policy framework through 38 measures covering practically all EU policies but with a emphasis on data collection, analyses and research in this field.

It is our hope that this policy paper will be endorsed by the Council on the 16/11/1998 by a Resolution paving the way for future work.

### **III. PLANNED ACTIVITIES IN GENERAL**

On the basis of the above mentioned sources, the planned Commission activities can be described as follows :

- a) to improve the knowledge on the situation of Business Services (and other services adding value to Industry) and their contribution to industrial performance;
- b) to take further steps towards creating an Internal Market and to increase competition in the Business Services sector;
- c) to apply other EU policies such as SME policy, RDT and Innovation, Information Society, Training, Industrial Cooperation, Structural Funds, etc to Business Services in order to enhance the competitiveness of Business Services and their clients.

### **IV. SPECIFIC ACTIVITIES ON KNOWLEDGE ACQUISITION**

If the abovementioned Resolution of the Council is adopted, the Commission and the Member States will be asked to begin implementing the following operations :

- a) improve data-collection, analyses and research on the demand and supply of Business Services and to create new instruments and methodologies for measuring productivity by allocating adequate resources and improving the statistical regulatory framework in this field at Community level in order to promote transparency;
- b) collect data and analyse relationships between qualifications, skills, labour conditions and human capital productivity in order to understand how employment in the Business Services sector is created, how this affects job creation in other sectors of the economy, and to identify future needs;
- c) benchmark best practices in fields such as the creation of new and the expansion of already existing Business Services companies and outsourcing of public administration activities;

- e) ensure that competition policies are based on the best possible knowledge of the Business Services sector by continuously analysing the structure of the market;
- f) identify and analyse best practices for investment in Business Services in the least favoured regions in order to rationalise and consolidate present efforts;
- g) analyse how Business Services are affected, how they will be transformed and which kind of Business Services are likely to be created by Information Society technologies and applications.

Furthermore, the possibilities of extending activities concerning Business Services to all services adding value to Industry will be investigated. Many Member States find that the concept of Business Services is too narrow according to the present statistical definition and that other services such as contract research, industrial training, logistics, etc. should be investigated.

With this in mind, we have already embarked on a major research project together with EUROSTAT, some national statistical institutes, the OECD, research institutions and Industry itself concerning the definition of what we call “Industry Value Added Services”. This project is as a novelty focussing on the demand for such services in a pilot exercise testing this approach.

The experiences from this cooperation with all major players in this field will be used as a model for how to establish a permanent organisational network including intergovernmental bodies and the private sector for the systematic collection, monitoring and analyses concerning all services adding value to Industry.

## **V. ITEMS FOR DISCUSSION**

It would be interesting to learn more about the experiences and possible initiatives of the participating statistical offices on user needs in the abovementioned fields at national level inside and outside the European Union.