## Commission President Romano Prodi speaks on industrial policy

In his address to the Conference on Industrial Policy in an enlarged Europe organised by the Enterprise DG, Commission President Romano Prodi reviews the situation in European industry and sets out the path towards balanced and sustainable development.

President Prodi declared that "We need industry to generate jobs and wealth without which we cannot reach any of the goals that we as a society have set ourselves. ...manufacturing remains crucial both in size and for job creation. The wellbeing of our citizens thus depends on a dynamic industry."

The Conference coincides with the publication of the Commission's Green Paper on Entrepreneurship in Europe and follows its recent Communication on Industrial Policy in an Enlarged Europe (COM(2002) 714 def. of 11 December 2002). These documents demonstrate the Commission's commitment to ensuring that industry and industrial competitiveness remain at the centre of its political activity.

Industrial policy is by nature a cross-cutting policy. It impacts *inter alia* on issues that concern enlargement, the environment, the European social model and the knowledge society.

Enlargement is a great opportunity for growth and development that must be seized. This entails integrating the economies of the new Member States and stimulating the growth of a new spirit of enterpreneurship in those countries.

But economic development cannot be divorced from environmental and social development. Policies are needed to reward enterprises for acting responsibly.

President Prodi stressed the importance of research, knowledge and innovation. Unfortunately some EU countries are losing ground in these areas. More investment is needed in education, vocational training and research to increase the competitiveness of our enterprises.

President Prodi wound up with some remarks on the subject of corporate governance. He said the business world needed an ethical underpinning, involving an institutional framework to regulate corporate governance. In the spring the Commission will be putting forward an action plan on corporate regulation.

The ultimate aim of industrial policy is to provide an overall framework that ensures the efficient and sustainable development of competitive firms and achieves a proper balance between the economic, social and environmental pillars.