



'AGRICULTURE & CONSTRUCTION EQUIPMENT'

EUROPEAN INDUSTRIES BOOSTING A SUSTAINABLE FUTURE FOR ALL

*18h30 - 21h30 Dinner Debate - Members' Restaurant
Tuesday 15 October 2019*

European Parliament





Maria da Graça CARVALHO MEP, Industry, Research & Energy Committee

She welcomed fellow MEPs, the commission, and manufacturers to Dinner Debate on Agricultural & Construction Equipment 'European Industries Boosting a Sustainable Future for All'.

As an engineer herself she would like to see more women in the profession. The key issues are digitisation and harmonisation and they would be discussed at tonight's event.

The Parliament is waiting for the new Commission initiative for Industry within 100 days.



CHALLENGES & THE OPPORTUNITIES FOR EU INDUSTRIES OVER THE NEXT 5 YEARS?

Anthony Van Der Ley, CEMA President, LEMKEN



As President of CEMA, the European Agricultural Machinery Association, I speak on behalf of about 7,000 companies across Europe, large and SMEs, that deliver advanced machinery and solutions for all-size farms in Europe and support farmers in the demanding job of producing high-quality food at affordable prices for EU citizens.

Therefore, there is no better place than the European Parliament to voice the challenges European Industries are facing today: digitisation, compliance with



new safety and technical regulations, or looking for “open and fair” opportunities to access new markets range among them.

Together with CECE, our sister association, we share common elements. We are two innovative manufacturing industries, producing small volumes of specialized machines that, contrary to what people might think, have a daily impact on EU citizens’ lives. Modern agricultural machines are key in enhancing sustainable farming practices and food production while construction equipment is building the future infrastructures facilitating an increasing and more sustainable mobility around Europe as well as a more efficient housing.

During these days, the European Institutions’ puzzle is finally coming together. On behalf of the agricultural machinery industry I believe this is the moment to learn from past experiences and try to make things right in the five next years. CEMA in its AgriTech Vision 2030 has addressed to policy-makers its main asks for the next EU term and anticipates some of the challenges for the long-run. Enhancing agricultural data-sharing, supporting investment in research and infrastructure, upgrading digital skills or machines adaptation to respond to an evolving agricultural sector are top of our agenda.

And tonight we are together, and because united we are stronger, for our industries to keep high innovation levels and competitive leadership, providing jobs and growth while remaining competitive in an increasingly globalised market we call on the EU to:

- Support European initiatives to incentivise investment and fleet renewal solutions that bring benefits to users and society, such as the CAP and Investment Plan for Europe.
- Encourage machine developments which promote process efficiency to reduce CO₂ emissions.
- Provide EU research funding in the most promising technology areas such as automation, robotics, digital connectivity and Artificial Intelligence that can have a positive impact on tackling environmental challenges.
- Foster the export potential of high quality, high-technology, environmentally respectful European farm and construction machinery to increase EU’s market share on the global stage.

With that and to make our messages resonate in this house, I will be glad to ask my colleague, CECE President Enrico Prandini, to join me in order to hand our joint policy requests to Ms Carvalho who kindly hosts this dinner debate tonight.

KEYNOTE SPEECH FROM THE EUROPEAN COMMISSION

Ignacio IRUARRIZAGA, EUROPEAN COMMISSION, Head of Unit Tariff & Non-Tariff Negotiations, Rules of Origin – DG TRADE
‘Please note that my intervention does not engage the Commission as such.’

I have been asked to speak on how the EU trade agenda will help your industries to boost their competitiveness and I was wondering how to do that because I have been impressed by your competitiveness (50% of your turnover corresponds to exports).

Having said that, allow me to elaborate on what we have done to contribute to facilitate your access to other markets:





a. The corner stone of our policy has been and still is the WTO. We have successfully worked in the past in reducing tariffs and NTB in that context.

b. We have delivered on an ambitious FTA agenda.

i. 32% of our trade is with preferential partners

ii. 40% if you count the concluded not entered into force agreements, including Mercosur

iii. Coverage: Canada, Korea, Vietnam, Singapore, Andean Community, Central America, review of Mexico

iv. Keep on working with Chile, Australia, NZ, Indonesia

All those agreements demonstrate our ability to leverage our internal market to open markets abroad, to spread our regulations and standards.

c. What do we achieve in those agreements for you?

i. Elimination of tariffs both ways. Useful if you tell me to what extent that is an issue for you

ii. Push for the use of international standards

iii. Simplification of conformity assessment

iv. Openness in public procurement, and

v. Investment

Are these bilateral deals ideal? Well, they are good, but not ideal. I know we contribute to complexity with rules of origin. In an ideal world, we would have a WTO agreement on tariffs and rules instead of bilateral deals and we could skip rules of origin.

All this sounds good and it is good, but today we are surrounded by uncertainty and doubt.

- The rules-based international order that was at the heart of our growth is being challenged. What we have taken for granted for so long, is now under threat. We have seen increasing clashes between the US and China and the crisis of the WTO endures. We have seen measures from the US on our exports based on allegations that our exports constitute a treat to the US national security
- And we have of course Brexit, but I shall not talk about it



How do we take the work forward in this new context?

- a. Manage the turmoil. We are working on the WTO reform and in parallel working to diffuse the tensions with the US.
 - i. On WTO:
 - Unfortunately, today an all encompassing tariff negotiation would not be possible, but perhaps we could still work on areas such as environmental goods
 - we can work on rules: improving rules on areas such as subsidies or localisation requirements. This is very important, even if it catches less headlines than a good old-fashion tariff agreement.
 - ii. On US: It is not an easy task. We have the Joint Declaration by Presidents Juncker and Trump and we are doing our best to deliver on that.
- b. Work on our own priorities:

As my Commissioner designate explained at his Hearing in this house:

- i. Africa must become an even greater priority for us, and
- ii. We will continue our ongoing negotiations with Australia and New Zealand and pursue new partnerships if the conditions are right.
- c. My Commissioner designate also emphasized that
 - i. We also need to do a better job in ensuring that the full potential of our existing agreements is realised. Our trading partners must respect the commitments they have made, in all Chapters. It is therefore essential that we step up our efforts to implement and enforce existing agreements. The appointment of a Chief Trade Enforcement Officer will create a focal point for this work.
 - ii. We must stand up against protectionism where it occurs. We must promote reciprocal trading conditions and fair competition by levelling the playing field both internally and externally. For example, using instruments such as the International Procurement Initiative (IPI), which aims to create reciprocity enabling the European Union businesses to succeed in government procurement markets abroad. We must also tackle unfair competition by addressing more forcefully foreign subsidies which affect EU companies and by making full use of existing tools, for example in trade defence. This also means strengthening our own toolbox, including rules that allow us to react to illegal discriminatory trade measures by third countries where recourse under the WTO is not available.

Allow me to conclude by stressing that we need your help to deliver on this agenda.

You are our eyes and ears. We have eyes and ears, but they are not necessarily as sharp as yours. You can reach out to us when a new piece of legislation that may become an obstacle to trade is being discussed somewhere and you hear about it. You can reach to us when preferences are denied to you or the approval of preferences is slow. You can reach to us if you think that you are subject to dumping or subsidised imports. Our doors are open for you.



HOW THE NEXT EU BUDGET CAN SUPPORT INDUSTRIES THAT DELIVER FOR ALL

Companies led by

Stefan Top, AVR, Managing Director, CEMA, Vice President

As industry we are convinced about the need to move towards a greener and more environmental friendly Europe. That is why we have made huge efforts by considerably reducing exhaust emissions in our machines.

Besides, we keep contributing to a more sustainable agriculture, by developing and promoting precision farming technologies resulting in better target applications for fertilizers or plant protection products as examples. However, we can do even better.



To do so, we need EU institutions to believe in technical solutions.

We have technical solutions but they need to be spread out and this takes time and effort. The romantic idea of farmers with goat wool socks who produce food with hand labour in a small-scale way is an incredible illusion. It will massively lead to depopulation in the agricultural and rural areas.

We definitely do not need extra ghost villages as you can already notice them in certain regions throughout Europe.

But as we say, it takes time, the investments in high-tech machinery are expensive and will not happen overnight.

That is why we are calling for a CAP that gives more flexibility to the second pillar in order to support farmers in having access to smart solutions enhancing more sustainable and environmentally friendly agriculture.

A second point I would like to address is the slowness of the digitization.

I was lucky enough to grow our company from a small into a medium-sized company. That is why we could jump on the digital high speed bullet train with the help of the attractive grant programs ICT AGRI, Horizon 2020 and IOF2020 that are available within Europe. Within CEMA, I am often named as Mr SME.

Our sector is mainly known for large tractors and large harvesting machines, but the vast majority of our members are SMEs. Family businesses that are locally anchored and that are closely linked to farmers. Unfortunately, the digital age has not yet arrived in many of these small businesses nor in rural areas where fast broadband is still very poor. SMEs are often still busy creating mechanical solutions for niche markets, implements pulled by high-tech tractors.

That is why I would like to make a warm plea to maintain Research programmes that support industry R&D efforts to reach the next level and to make sure small businesses participation gets higher by simplifying procedures. After all, access to digitization is a necessity for survival as a machine manufacturer.



Neil Woodfin, Vice President CE AMEA & Global Alliances, CASE, CNH INDUSTRIAL

CNH Industrial comprises of: Case, New Holland and Steyr Agricultural Equipment; Case and New Holland Construction Equipment; Iveco trucks and buses; and FPT power train products.

Today throughout the world we are experiencing change at an accelerated rate. As companies we need to continuously revitalize ourselves to adapt to the changing market so as to offer long term value solutions to society and our customers.

CNHi is committed to innovation and operating practices that are aligned with the sustainability index defined by the United Nations. To address the global warming concerns we recognize the lead that Europe has taken in defining low carbon emission legislation.

Through FPT we have made significant investments to develop cleaner diesel engines that comply with legislation throughout the world. As a company we have led the industry by introducing optimized after-treatment systems, which have improved emissions whilst lowering fuel consumption.

Today we are a leader in alternative propulsion technology such as natural gas and biomethane engines. We currently have 28,000 vehicles on the road using natural gas engines, and 40,000 biomethane ready engines installed in the market. We are also investing in fully electric and hydrogen-fuel cell propulsion systems.

Whilst battery powered electric system can be used for smaller agricultural and construction equipment products, we believe the larger products will need to use the hydrogen-fuel cell or natural gas and biomethane engine technology to meet the greater operating demands.

At the Bauma Show in April this year Case launched Project Tetra. This is a concept wheel loader that combines the biomethane FPT engine with the latest state-of-the-art machine technologies that together create a highly productive, environmentally conscious and sustainable product for tomorrow's customer needs.

Connectivity and automation through digitalization are essential to optimize the productivity of equipment. Through the better monitoring of machine and fleet usage the customer is able to make more informed decisions about how to manage the products to eliminate unproductive time and reduce unnecessary emissions. Manufacturers and other stakeholders, with this information, are better able to offer tailored services. The full, or semi-automation, of products enable complex applications to be completed by less skilled operators.

Research and development is the life-blood of any company. It allows us to bridge new technologies with customer needs to meet tomorrow's challenges.

Together we need to develop clear directives for alternative fuels and digitalization, with achievable time frames for implementation. This is necessary for all of us to develop strategies that align all elements of the value chain from talent development through to supplier development.



Pernille WEISS MEP, (EPP, Denmark), Industry, Research & Energy Committee

We have the world's strongest market and we must develop and preserve our leading role

The green transition will define our industries and can make our economy even stronger

We have the best green solutions which we need to help companies deliver

The budget now needs to be centred around helping companies achieve the green transition

Agricultural machinery for example - we need to help manufacturers develop the green solutions.

Our budget and HorizonEurope should help manufacturers

Not all of them cater to a big market - not all of the have huge return on green investments

I want to propose and promote a climate label

It is already reality in some industries - for example in shipping

It gives incentives to the rest of the world and makes our products even more desirable

A Climate Label will promote companies who are making an effort

I look forward to hearing your input.



Bill NEWTON DUNN MEP, (Renew Europe, UK) Employment & Social Affairs Committee

These were the highlights which were noted from this presentation

MEPs are here to listen. There are many new MEPs and the time is right to make input right now. There will be a new Commission too to hear your views. Site visits for legislators - MEPs in particular - are a key mechanism to ensure that your messages are communicated.



EUROPEAN MANUFACTURING COMPETITIVENESS IN THE GLOBAL MARKETPLACE

Companies led by

German Martinez, KUBOTA HOLDING EUROPE, Vice-President Sales Tractor
BU – CEMA Board (ANSEMAT)

First of all let me start with the Kubota Statement:

"The Kubota Group promises to continue supporting the prosperous life of humans while protecting the environment of this beautiful earth" For Earth, For Life.



This statement talks a lot about our commitment which is supported by our strategic focus areas as food, water and environment as food, water and the environment are indispensable for human beings. The Kubota Group continues to support the future of the earth and humanity by contributing products that help the abundant and stable production of food, help supply and restore reliable water, and help create a comfortable living environment through its superior products, technologies and services".

Our Company will celebrate 130 years anniversary in January 2020, with € 14,2 Bn turnover in 2018, more than 68% sold out of Japan, with more than 40.000 people across the globe, active in 120 countries with more than 180 subsidiary companies.

Its presence in Europe lasts for 45 years from 1974, where we founded the first European Subsidiary in France called Kubota Europe. Since those days, starting with small tractors and mowing machines we are developing our presence and business in the larger agricultural geographical area of the world as it is Europe where we have the clear ambition to become a contributor in the agricultural machinery sector as well as major player in the market. We are still in very young stage of this ambition but we are committed with Europe as latest investment demonstrates as follows:

- The opening of two factories for construction equipment at Germany and large tractors at France
- The acquisition of Kverneland Group, leading company in implements, to be able to provide sustainable and media ambient friendly solutions to farmers in Europe
- The opening of Farm Machinery Engineering Center in France to support the ambition of Kubota in Europe with new products and services developed for European customers.
- The opening of the Innovation Center to develop new advance technologies from where European farmers could benefit from.

In terms of turnover, Europe represents 14% of total Kubota Corporation and last investments in Europe represent about 600 million dollars for acquisitions, research and development and upgrade production capacity.

We are living great momentum between Europe and Japan. As general statement the recent free trade agreement between EU and Japan has been very important and could be very beneficial for Kubota as Japanese Company, developing the business overseas and specifically here in Europe. As I said before more than 2/3 of total Kubota turnover is made out of home country and fewer barriers for trading will be better for our Company.



As an example is the EU-Japan Economic Partnership Agreement. EU Commission published "...will boost trade in goods and services as well as create opportunities for investment. The agreement will further improve the position of EU exporters and investors on Japan's large market, while including strong guarantees for the protection of EU standards and values".

And added "It will help cement Europe's leadership in setting global trade rules and send a powerful signal that cooperation, not protectionism, is the way to tackle global challenges" and I will come later to this point.

This agreement touches every single aspect of most complete relationship between Europe and Japan where we in Europe and Japan could benefit for example are:

- Elimination of customs duties which represents today €1 Bn
- Agriculture and food products where Europe could enhance exports
- Geographical Indications to protect specific European products
- Industrial products where tariffs on industrial products will be fully abolished
- Fishing - the majority of tariffs will be eliminated on both sides, meaning better prices for EU consumers and big export opportunities for EU industry
- Forestry - where tariffs on all wood products will be fully eliminated
- Non-tariff barriers where the agreement will make it easier for EU companies to access the highly regulated Japanese market. Specific importance on this point is for "Motor vehicles" where both Japan and the EU will fully align themselves to the same international standards on product safety and the protection of the environment.

And many other aspects which will make priority focus for European companies to invest in Japan and for Japan to invest in Europe. In this context, Kubota will benefit from this new trade agreement supporting its growth ambition in Europe. I will add that Kubota is fully supportive of free markets and open trade globally.

My last point is about European regulations and how they affect agricultural machinery trade and I would like to bring a practical and realistic point of view. Our sector is a low volume units sector, not as automotive industries: we talk about thousands not millions of vehicles. Then, whatever needs to upgrade the products to new regulations implies a proportional higher cost per machine than in the automotive industry. If this increased cost is justified by higher performance or efficiency, customers will buy them but if not, they will show resistance.

Probably the necessary emission regulation and tractor and machines regulations affecting our sector, while necessary have been too fast and over regulated. A lot of manufacturers have dedicated majority of research and development budgets for fulfilling these new regulations and stopping other initiatives for developing technological solutions for making more efficient and productive our farmers which later EU have to subsidize for guarantee minimum income. Other manufacturers simply disappear.

All these regulations have to have always in mind to benefit all stakeholders: Society, Industry and End Customers. Last year's mandatory EU regulations forced manufacturers to apply all resources for R&D, and as a result:

- Many of them have been under pressure to dedicate majority of resources to fulfill new regulations



- There was lack of resources to develop advance technology for making farmers more productive and efficient
- Many European manufacturers at the limit of disappearing or looking for external markets to be able to sell their products without too demanding regulation compliance. Some of them as I said, just disappeared.

From farmer's perspective, they do not understand the benefit in many cases and they only see that to access to new products and technology they have to pay much more money which make them less competitive without seeing a clear advantage in productivity and efficiency. This has created a more aged population of agricultural machinery with a bigger flow across European countries where machines last for more years without meeting at the end, EU goal of reducing emissions and improving safety and work environment for operators, as used machines segments are booming while new machinery segment are stable or down. As an example, an average tractor in Spain doubles prices between 2000 and 2018 when farmer's income slightly decrease if you consider inflation.

Now, I come back to the last sentence said in press release by EU Commission as consequence of EU-Japan trade agreement: "It will help cement Europe's leadership in setting global trade rules and send a powerful signal that cooperation, not protectionism, is the way to tackle global challenges".

One of the main challenges we have in the Agricultural Machinery Sector is the lack of Global Technical Requirements Harmonization. Please, EU parliamentarians, when you think about new regulations to apply to Agricultural Machinery sector in Europe keep in mind 360 degrees vision to consider all aspects and consequences of these regulations as follows:

- Have a clear attitude to be the leader in global regulatory harmonization for technical requirements and homologation, as well as
- Enhance sustainable farming in Europe and beyond
- Support farmers to be productive and competitive. They are key to sustain the rural areas and stop internal and external flows of migration to cities, and
- Support European industries and manufacturers to be able to sell in Europe as well as export their goods, taking advantage of free trade agreements as well as technical regulatory harmonization affecting our products.

One without the others will not make farmers and industry sustainable and will accelerate the emptiness of our rural areas across Europe.



Niklas Nilroth, VOLVO Construction Vice President Environment & Sustainability
Equipment, Vice-President of CECE

A. The three dimensions of sustainability

Increased focus on sustainability and, not the least, on the environmental dimension. We need to find the right balance between the dimensions. For com-



panies in a global industry like the construction equipment industry, global competitiveness is fundamental. Sound economy means that we can spend investments and resources in environmental and social improvements, not the least combatting climate change.

B. Global competitiveness
Principles

- Openness To Free Trade - Openness is an indispensable enabler of growth, job creation, and poverty reduction. The competition in global markets has intensified, which implies a greater need for countries to be more competitive, because openness alone is not enough. Trade is fundamental for a country's economic competitiveness, and competitiveness in turn boosts the success of firms and economics in global trade, in particular integration into GVCs.
- Fairness: (level playing field - play by the same set of rules) This principle is of relevance in the relation with China. China unfairly subsidizes a number of national companies in a way which is not allowed by the EU competition rules.
- Reciprocity: (Lowering of import duties and other trade barriers in return for similar concessions from another country). Principle in the trade negotiation.
But also
 - Regulatory Convergence: Lack of regulatory convergence may lead to manufacturing different products for different markets. Furthermore, the lack of technical harmonization may lead to duplication of procedures.
 - Convergence for a big multinational group like VOLVO is key

C. Sustainability

Lack of regulatory convergence from regulation for sustainability may lead to a loss of competitiveness.

- Eg. Stage V in force in Europe but not in other markets.
- Engine emissions' regulation is divergent in the different global regions.
- In addition, Stage V is not competitive in certain developing areas because of low fuel quality.
- So companies have to manufacture different engines for different markets and this is costly.

However, Volvo keeps striving for sustainable solutions: ex. Construction Climate Challenge (CCC) because this is very important in the transition to a low-carbon economy. Or ex. Electric mining site in Sweden.

D. Global collaboration

In order to reap the full benefits of international trade - hence competitiveness - cooperation is of paramount importance.



For this reason, CECE has established a forum with the construction equipment associations of the other industrial powerhouses which is the International Associations Committee (IAC): membership is made of European, American, Indian, Chinese, Japanese, Korean association.

- Good Partnership with Indian Construction Equipment Manufacturers Association
- Partnership objectives in line with the principles for global competitiveness, see above.

MEPs led by



Jan ZAHRADIL MEP, Vice Chair International Trade Committee
These were the highlights which were noted from this presentation

We are entering more difficult trade years than under Commissioner Malmström.

We have concluded free trade agreements with Japan, Canada & South America nb Columbia.

With Mercosur we still have concerns, particularly from the Green Groups.

With 60% of the European Parliament being new - and the new structure of the groups - there will be different coalitions around different issues, it is more difficult to predict the outcomes.

Secondly the nature of trade policy is such that we can see a shift to include the focus on societal and environmental goals because of political intervention. They can contribute - that is never the first purpose of trade policy.

If we go too far and too fast we risk making the European Union uncompetitive.

The US and China are both challenging with regard to dumping and state subsidies.

Antonius MANDERS MEP, (EPP/Netherlands), Internal Market & Consumer Protection Committee

EU united, together we are strong.

It is most important to have a functioning Single Market. 80% of SMEs do not take advantage. Why not?

Member States do not want to give up sovereignty, because of the electoral threat of populistic parties and the eagerness of the national parliaments.

Change the economic legal system. Europe should focus on clear regulations. Instead Directives that have to be implemented in national legislation.





I asked the European Commission to help to make it possible to introduce a fast track procedure at the European Court of Justice for SMEs in the case of a cross border dispute, with a ruling within 6 months.

If Member States do not want a functioning Single Market, European business will be pulverized by big blocks like the US, China and India. (i.e. ICT Nokia, Ericson Huawei, Samsung Apple Microsoft)

I fear that the UK will not leave and that will be a missed chance to reform the EU.

We need a thorough reform because with the current system Europe will lose the global economic battle. Now the decision-making is too slow, too weak, too protectionist and Europe is not investing in defence in times where Europe faces threats all around the world.



Andrius KUBILIUS MEP, (EPP/Lithuania), Industry Research & Energy Committee

These were the highlights which were noted from this presentation

We are living in times of unprecedented change where technological progress and innovations resulted in big industrial and societal transformations. EU must reflect on the ongoing progress and adapt its policies.

Despite the ambition to become the most powerful economy, Europe is losing its leadership and competitiveness in industry, digital technologies and other areas. This is mainly due to our competition policy that does not allow the emergence and development of European 'global champions' and lack of clear industrial strategy.

Another challenge that Europe has to overcome is our own economy boost. We are currently experiencing the EU-13 convergence stagnation. After reaching in GDP/capita terms 80% of EU level, the countries' convergence progression stops. Existing EU instruments are insufficient to close the gap.

Deep analysis of the current situation argues that analysis of structural policy measures and industrial policy measures is needed in order to prepare us for the post-industrial society.

Anthea McINTYRE MEP, (ECR/UK), Agriculture & Rural Development Committee & Environment Committee



Innovation is the key to competitiveness and, with innovation, European manufacturing has quite a challenge on its hands.

On the one hand the EU has been keen to support innovation and development.

In May 2016, following a policy debate on better regulation to strengthen competitiveness, the Council adopted a number of positive conclusions. It stressed "that, when considering, developing or updating EU policy or regulatory measures, the



'innovation principle' should be applied, which entails taking into account the impact on research and innovation in the process of developing and reviewing regulation in all policy domains".

It called "on the Commission and Member States to explore and exchange best practices as to how regulation can be made more future proof and enabling for research and innovation".

It suggested "a review on how regulation can be made more innovation-friendly and on how the regulatory framework can be made more supportive for the digitisation of industry".

It wanted stakeholders – that is you the manufacturers - to identify regulatory barriers to their innovation projects and it underlined the importance of measuring the impact of EU regulation and minimising additional administrative burden for business.

On the other hand, in March this year, we had the European Public Health Alliance, representing some 65 civil society organisations, calling for the immediate and complete removal of the 'innovation principle' from Horizon Europe (the next EU Framework Programme for Research and Innovation). Why? Because they say it threatens the Precautionary Principle and is nothing more than an attempt to keep the regulation of dangerous products at bay.

The new European Parliament, with over 60% of new members, is much more polarised than the previous one, more on the left and right and fewer in the middle. So science-based policy making is really under threat and that is very worrying.

When it comes to Greta Thunberg's message on climate change, it is "listen to the science". She says: "Don't listen to me, listen to the science" and everyone agrees. We are seeing a dramatic reduction in the number of parents giving their children the MMR vaccine, so we say "protect your children - listen to the science". But when it comes to authorising chemicals, or considering gene-editing or GMOs the objectors are saying: "ignore the science".

I have always believed that regulation must not act as a barrier to innovation and I have used my position as an MEP to urge partnerships between academia, industry, breeders, the agro-chemicals sector, farmers and food manufacturers to ensure our European agricultural sector does not fall behind its international competitors.

In the last Parliament I took a report through the AGRI Committee on Technological Solutions for Sustainable Agriculture. It was adopted in the Plenary, by a large majority (454 votes to 177). It called for sustained investment in R&D and help to ensure new ideas and techniques are commercialised. We must make sure that small farmers as well as large can benefit from technology.

The agriculture sector has always relied on new techniques and production methods to increase outputs and to adapt to new and changing circumstances. At the present time, there is a particular need for innovation in precision farming. In the desire to reduce the environmental impact of agricultural chemicals, the development of new active substances is essential and so is the development of new machinery to apply these substances.

Economic development and sustainable production are not mutually exclusive. They are both achievable through innovation. We can improve the performance and adaptability of precision farming techniques and we must ensure that research funding is used effectively in the interests of agriculture.



I very much welcomed the inclusion of robotics in the Horizon 2020 work programme. We know that soil degradation is a major constraint in agricultural production, so we should welcome the development of controlled traffic farming (CTF) technologies, which reduce the soil damage that is caused by overworking the land.

Harper Adams University in my region, the West Midlands, has done pioneering work with its "Hands Free Hectare". They were first in the world to grow, tend and harvest a crop using robotic tractors and drones, with no operators in the driving seat or agronomists on the ground. Now they are broadening out to 35-hectares and a new vision of the future of farming.

This is no longer a feasibility study, but a real world farm, complete with irregular shaped fields, obstacles, undulating land and pathways. This will be a real testbed for agricultural innovation. They are looking to contribute to new concepts of fleet management and swarm vehicle logistics and navigation.

Harper Adams received funding under Horizon 2020 and I hope they will receive further funding under the new research programme, Horizon Europe. This foresees a budget of €10 billion for research and innovation in food, agriculture, rural development and bio-economy - that's an additional €4 billion compared to Horizon 2020.

Horizon Europe has five themes, one of which is Soil Health and food. Soil health depends on biodiversity.

The loss of genetic diversity over the past century threatens our food and feed security and undermines the EU's policies on sustainable agriculture.

All plant varieties, including landraces, their wild and semi-wild relatives, and old and pioneer varieties are essential for maintaining genetic diversity. They really are needed for breeding programmes in order to safeguard the continuing production of sufficient, nutritious, healthy food.

So, it is important that EU regulation enables farmers and breeders to make the best use of such genetic resources. EU regulations must not undermine innovative processes by putting unnecessary administrative burdens on breeders and farmers - or on manufacturers.

CONCLUDING REMARKS



Antony FELL, EUROPEAN FORUM FOR MANUFACTURING, Secretary General

He thanked CECE and CEMA for the excellent collaboration which had led to such a successful event and the exchange of views during the evening's debate.

He announced that the next European Forum for Manufacturing Dinner Debate will take place on Wednesday 6 November in the European Parliament.

It will focus on Tomorrow's Mobility Ecosystem. This will need to be multi-modal and technologically diversified. Automotive companies, including the European automotive supplier community, are adapting to help bring about the biggest transformation of the industry in more than a hundred years.



New opportunities will arise as society looks for innovative solutions to deal with the challenges of air pollution, urbanisation, traffic congestion and new customer requirements.

These challenges are driving changes that are redefining the automotive supply chain as well as the existing business of automakers and suppliers worldwide.

Vehicle manufacturers and automotive suppliers will not be able to realise their goals on their own. They will rely on national, European and global policy makers to assure a rules-based international trade framework. The EFM meeting will enable them to debate this with MEPs and the European Commission.

He concluded by thanking the European Commission and MEPs for their contributions and the CECE, CEMA and EFM staff.



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