



# Industrial policy making in the EU

*May 7th 2015*

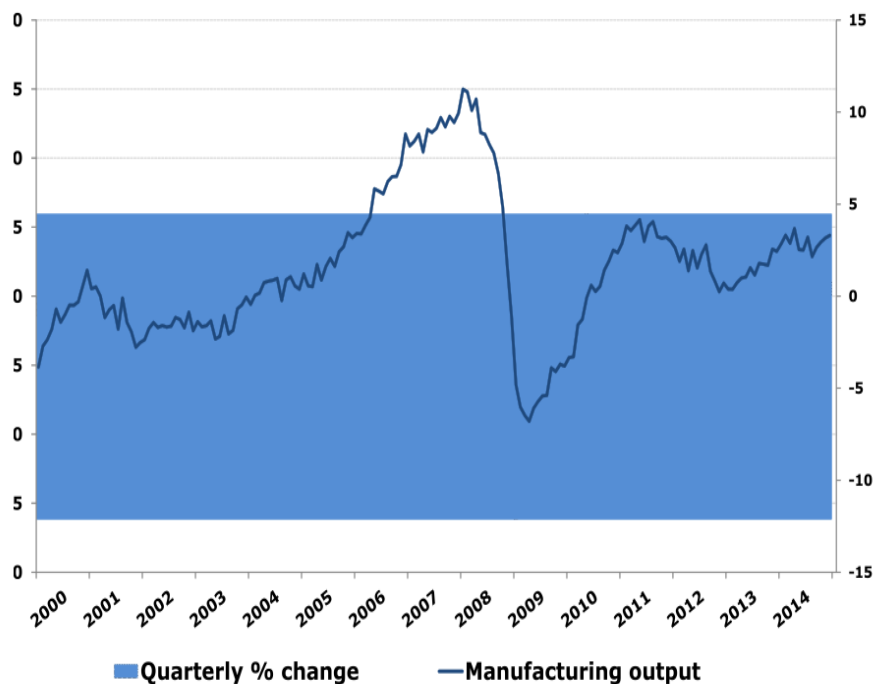
*Torino*

*Francisco Caballero*

*Chief economist - DG GROW*

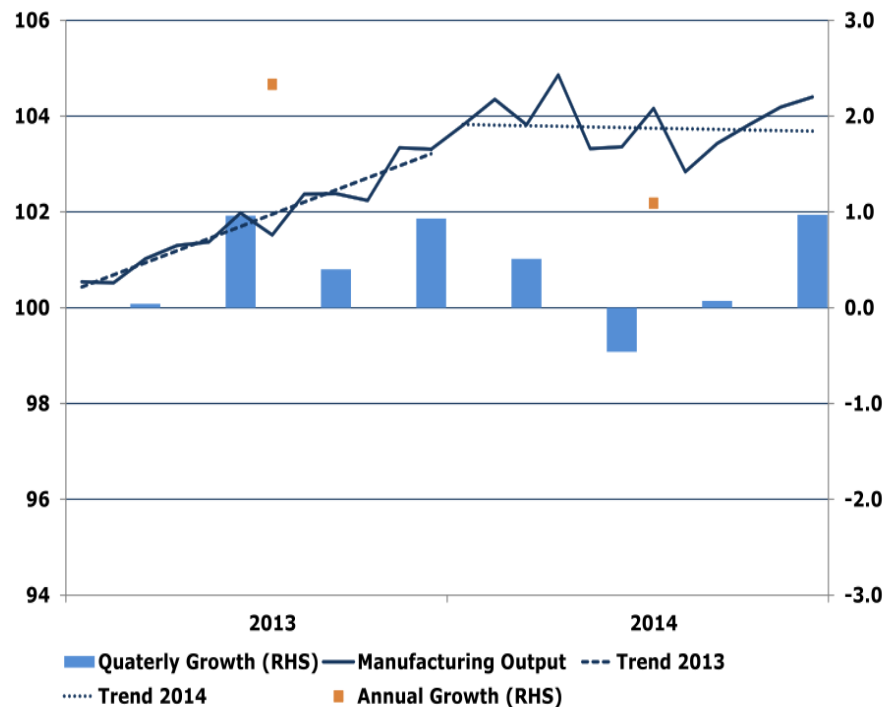
# The context for industrial policy making

Manufacturing output in the EU-28 (2000-2014)



Source: Eurostat

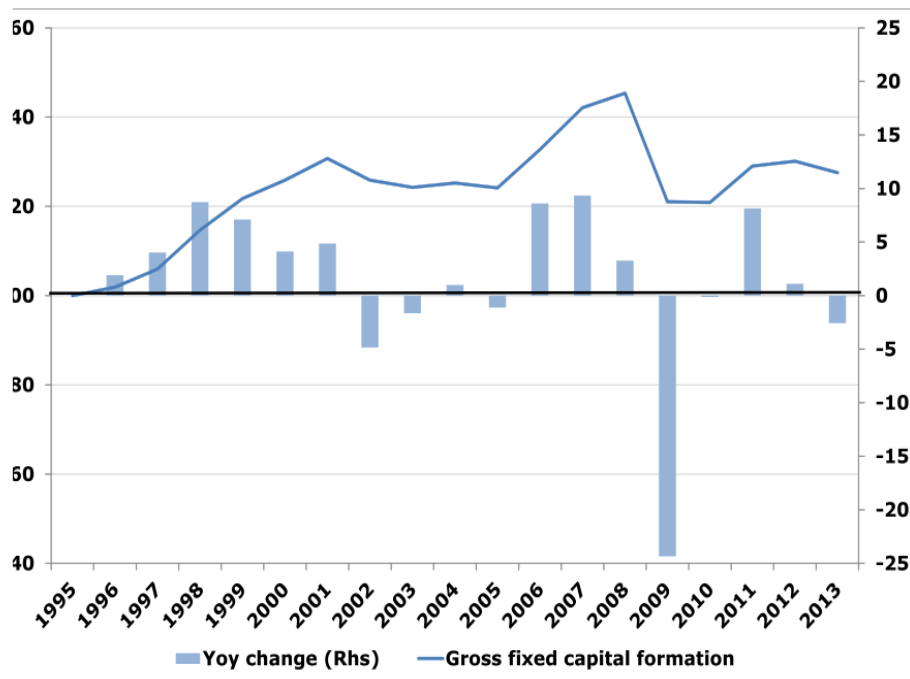
Manufacturing Performance in the EU-28 (2013-2014)



Source: Eurostat

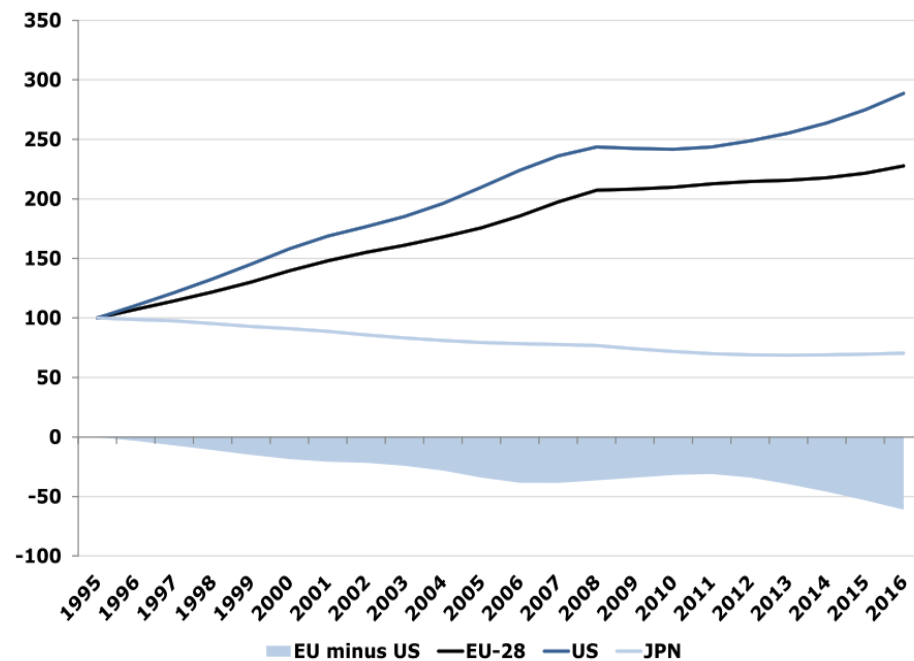
# Investment: a key issue

Manufacturing gross fixed capital formation in the EU-28  
(1995 = 100)



Source: Eurostat

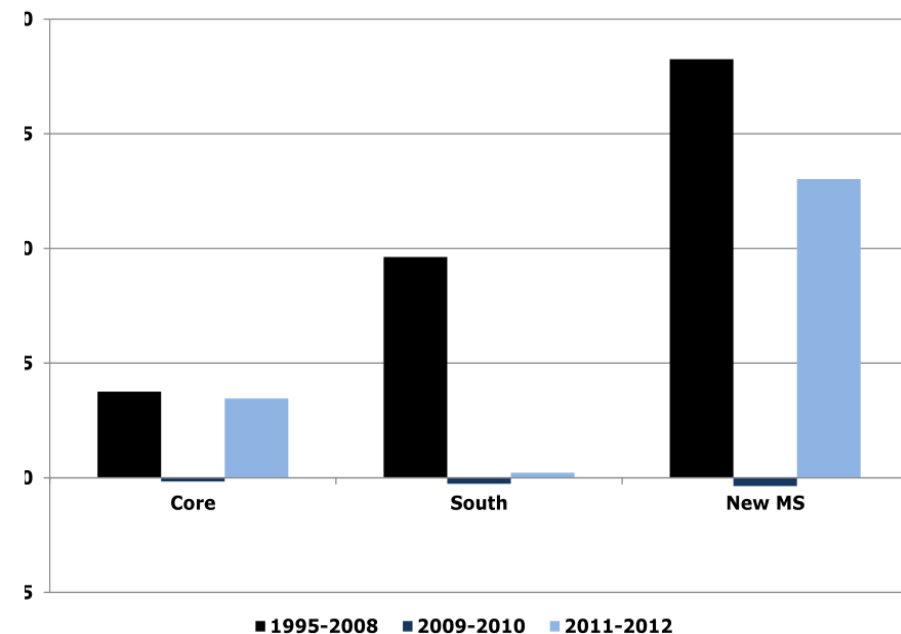
Net capital stock total economy in the EU-28, US and  
Japan (1995 = 100)



Source: AMECO and own calculations

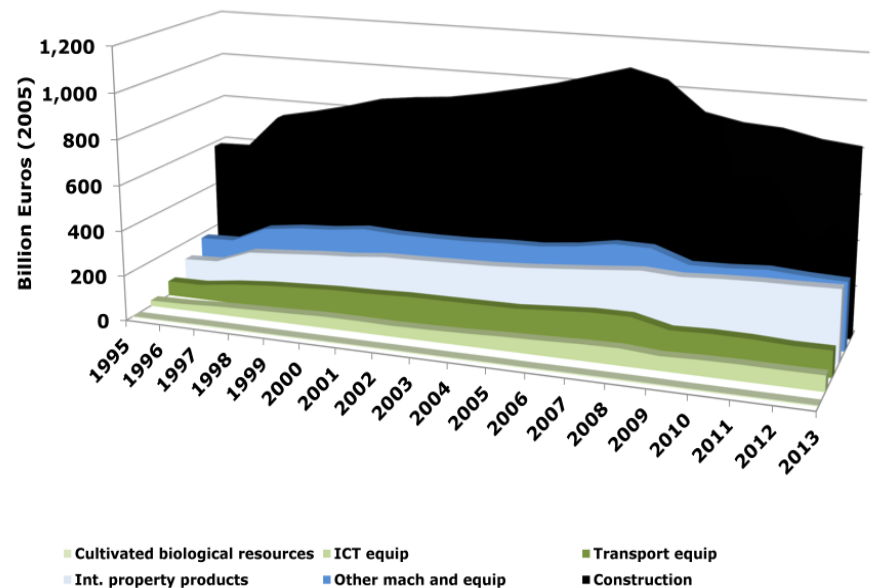
# Differences in the impact of low investment rates

Average annual change in net capital stock in manufacturing for selected Member States



Source: Eurostat

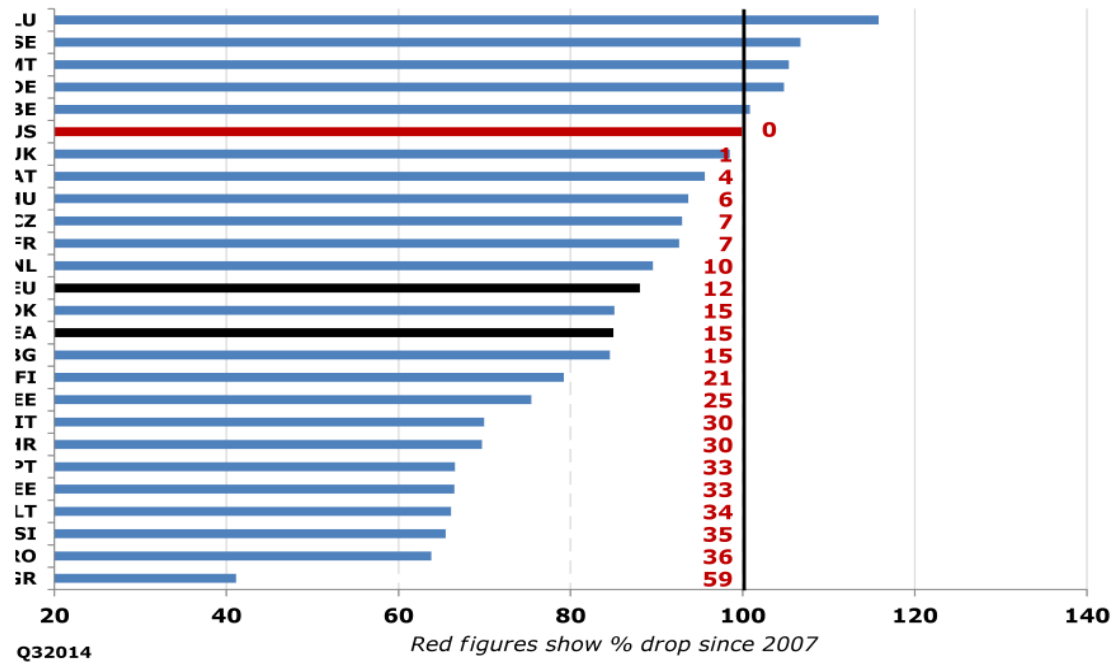
Investment in the total economy by asset type in the EU-28



Source: Eurostat

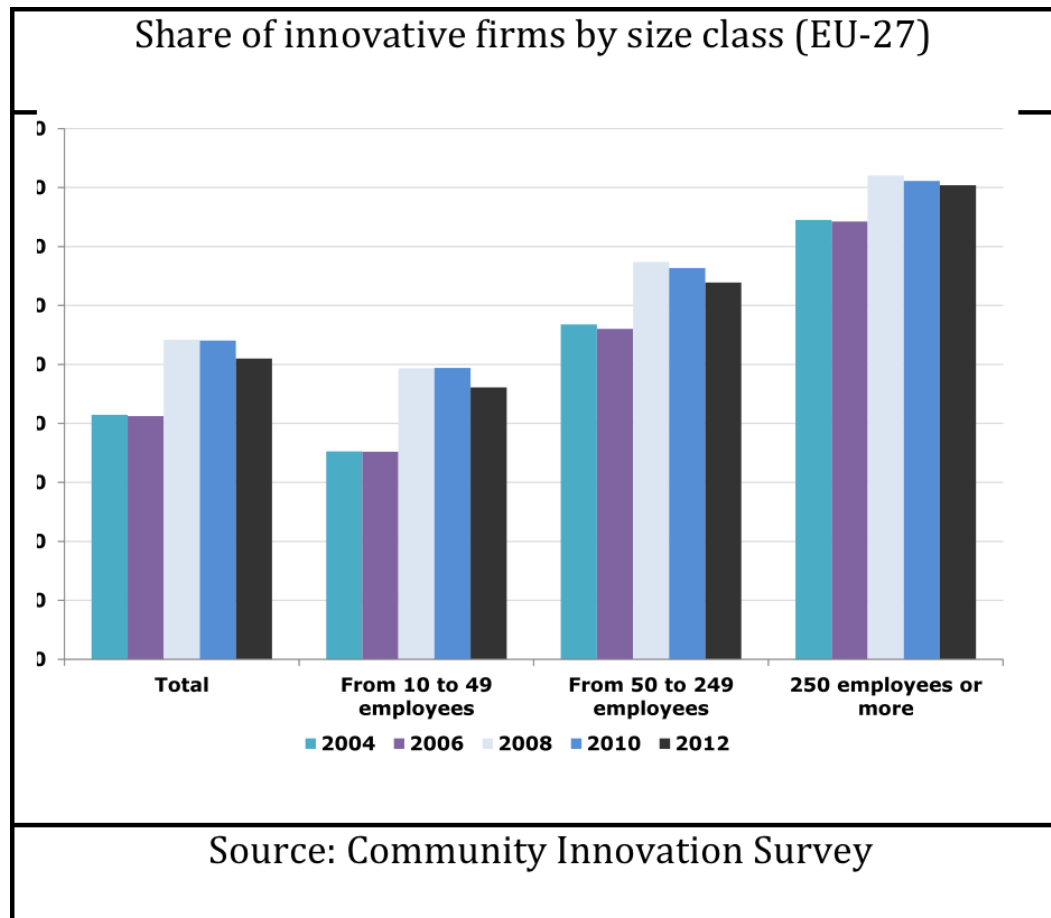
# Big differences in investment performance across countries

Changes in gross fixed capital formation from 2014Q4 to  
2007 average



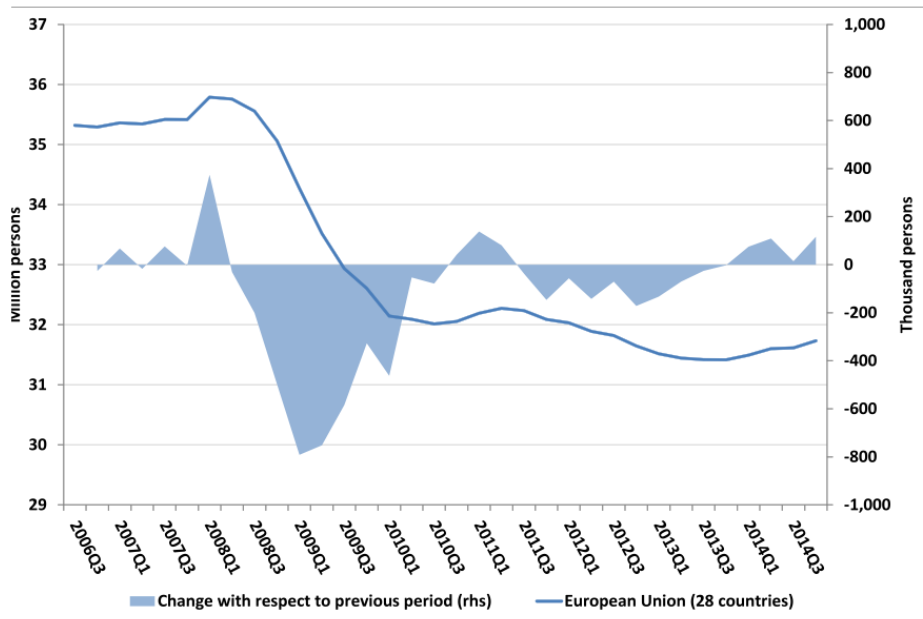
Source: Eurostat

# Lower investment, less innovation



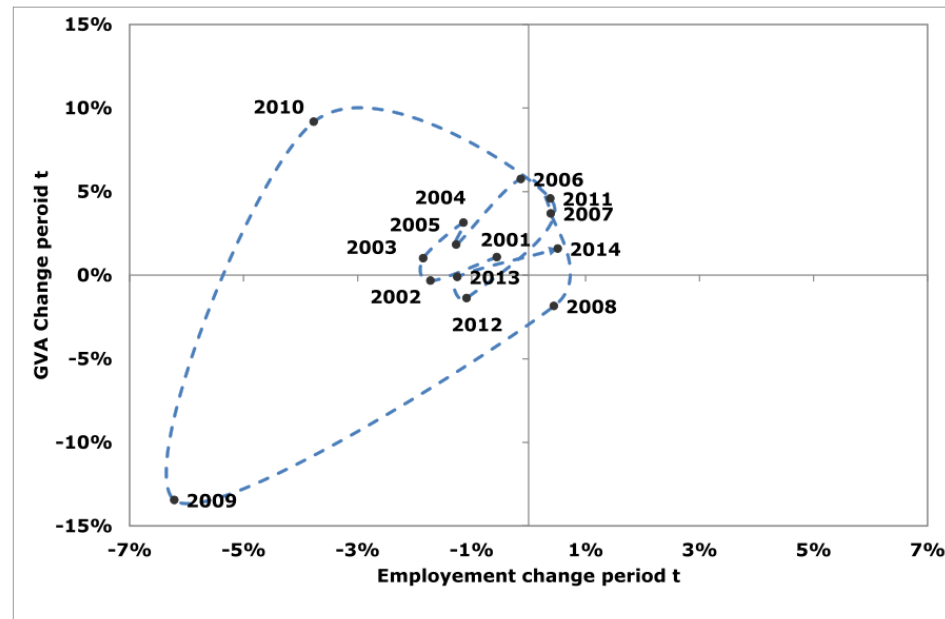
# Impact on employment

Employment in manufacturing in the EU-28



Source: Eurostat

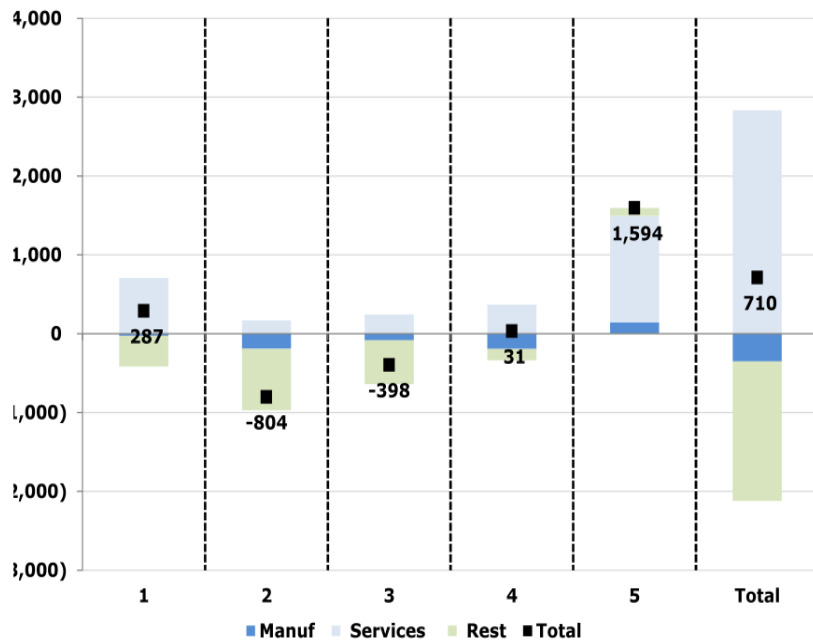
GVA and employment annual growth in the EU-28



Source: Eurostat

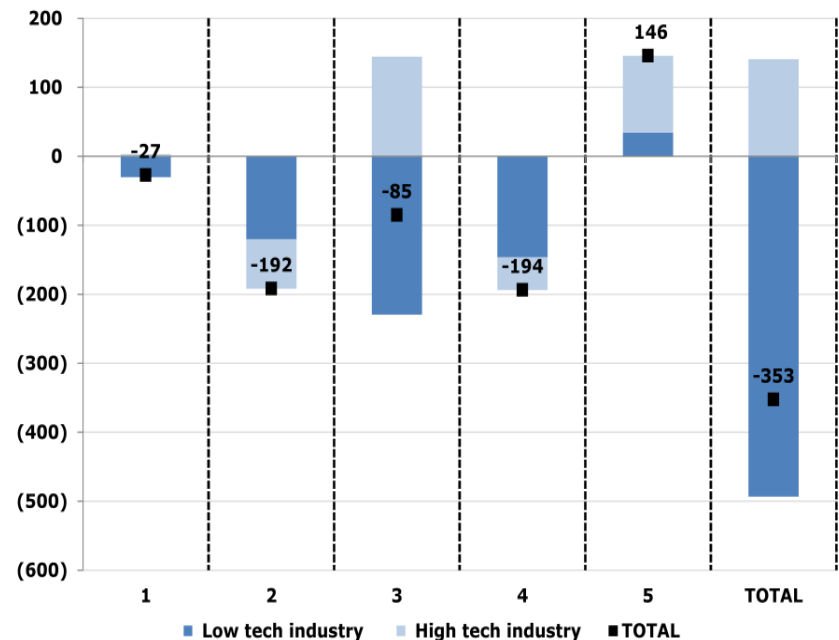
# Quality of jobs

Change in employment (1000s jobs) by wage quintiles for EU27 by sectors (2011-2014)



Source: EuroFound

Change in employment (1000 jobs) by wage quintiles for EU27 by industry sectors (2011-2014)

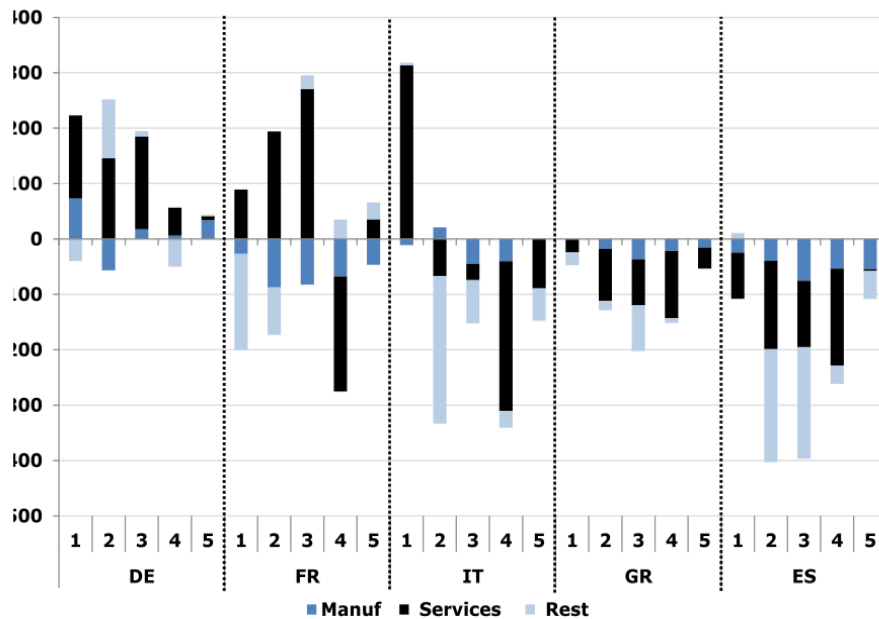


Source: EuroFound



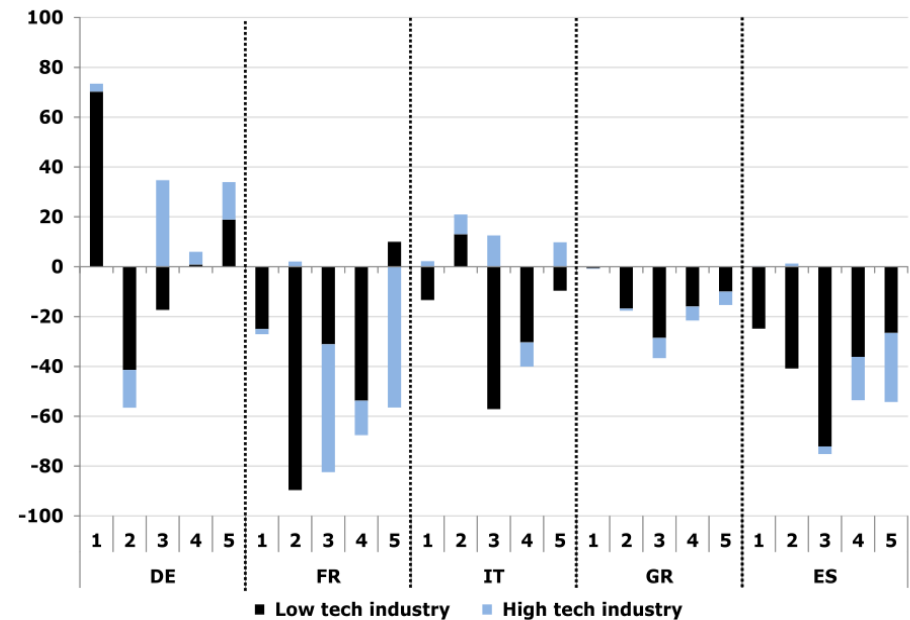
# Big differences across countries

Change in employment (1000s jobs) by wage quintiles for selected Member States and sectors (2011-2014)



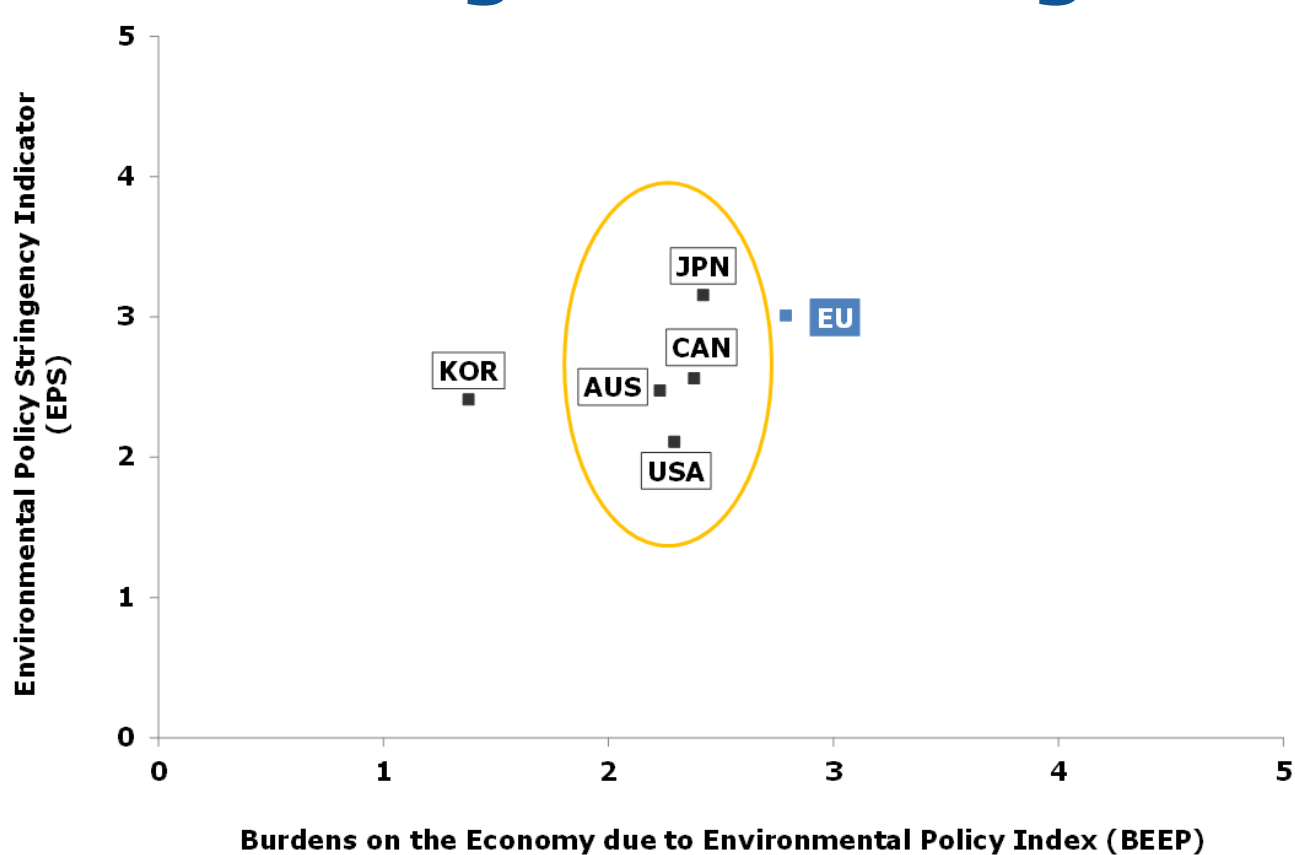
Source: EuroFound

Change in employment (1000 jobs) by wage quintiles for selected Member States and industry sectors (2011-2014)



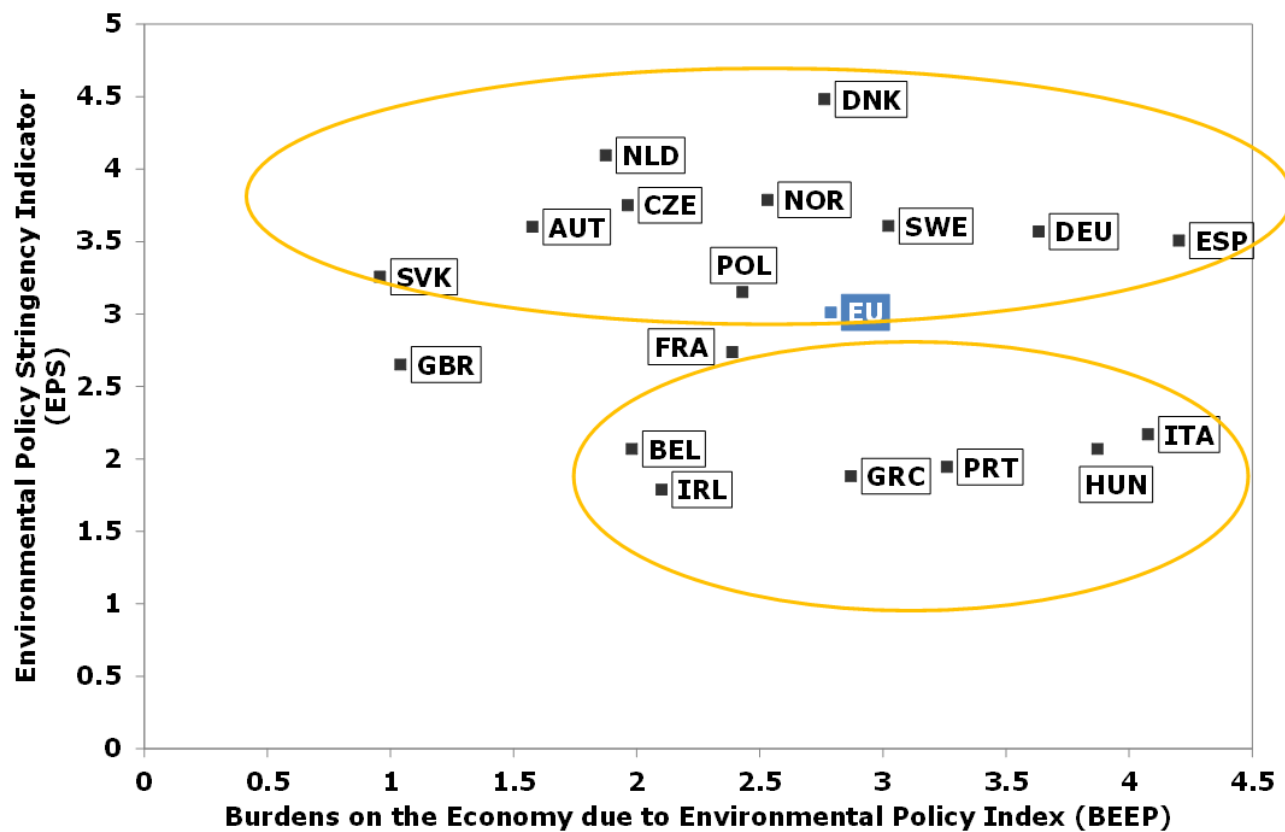
Source: EuroFound

# Entering the learning zone I



*Data for 2012  
EU is a GDP weighted average of the 17 MS for which there is data available  
Source: OECD*

## Entering the learning zone II



*Data for 2012*  
*EU is a GDP weighted average of the 17 MS for which there is data available*  
*Source: OECD*



European  
Commission