



## Press Release

Luxembourg, 29 August 2019

# Auditors assess EU support for industry 4.0 and digital innovation in Europe

The European Court of Auditors is conducting an audit of EU support and funding for digitising industry and boosting digital innovation in Europe. The auditors will examine whether the European Commission provides effective support to Member States for digitisation of their industries, and helps start-ups and small- and-medium sized enterprises (SMEs) in their efforts to go digital.

*"To remain competitive, the EU needs to support industries in the digital transformation, which is currently underway. Digitising European Industry is a key initiative in this context and with this audit we would like to check its effectiveness so far," said Iliana Ivanova, the Member of the European Court of Auditors leading the audit. "Key advances towards industry 4.0 are expected to be made by 2025. Companies across the EU, particularly SMEs, should prepare to adapt their traditional ways of working to the new digital technology."*

Today the auditors have published a preview of the audit on digitising European industry. Audit previews provide information on an ongoing audit task. They are intended as a source of information for those interested in the policy or programmes being audited.

Industry 4.0 uses digital technology to connect people, things and processes in real time. This process radically changes manufacturing and the way business is done, and adds value through increased speed and efficiency. To keep up, companies worldwide will need to transform, which requires considerable investment.

In the EU, there are wide disparities in digital development between regions and sectors, ranging from over 63 % in computer programming to 4 % in construction. SMEs account for 99 % of all businesses, but less than a fifth are highly digitised. They need to be encouraged to digitise their

*The purpose of this press release is to convey the main messages of the European Court of Auditors' audit preview. The full preview is available at [eca.europa.eu](https://eca.europa.eu) in English.*

## ECA Press

12, rue Alcide De Gasperi - L-1615 Luxembourg

E: [press@eca.europa.eu](mailto:press@eca.europa.eu) @EUAuditors [eca.europa.eu](https://eca.europa.eu)

work processes, as they often lack the resources required to face the challenge of digital transition on their own.

In recent years, the Commission and Member States have launched a number of initiatives to create a digital single market and digitise European industry, with actions in the area of data economy, the Internet of things and cloud computing.

In 2016, the Commission launched a Digitising European Industry initiative, which spurred the creation of digital innovation hubs. These “smart” centres help companies, in particular SMEs and start-ups, with the latest know-how and technology needed for their digital transformation. They also connect with investors in digital changes, and bring suppliers of digital innovations into contact with potential users.

Funding for the initiative amounts to €11.5 billion and is provided through the EU’s Horizon 2020 programme and the European Regional Development Fund. The Commission estimates it will stimulate public and private investment of almost €40 billion by 2020, and plans to continue to fund digital innovation over the 2021-2027 period.

The auditors will examine the Commission support lent to Member States in the development, implementation and follow-up of their digitisation strategies, and assess the level of support for digital innovation hubs across Europe. They will also investigate whether the Commission is helping to create a legal environment that is appropriate to the digital age and connectivity.

### Notes to Editors

The auditors will analyse a number of projects and carry out potential on-the-spot visits to selected countries (Germany, Hungary, Poland and Portugal). The audit report is expected to be published in 2020.

The ECA has previously issued audit reports on a number of related topics, including EU support for [business incubators](#), [e-commerce](#), [Internet broadband](#) and [cybersecurity](#).

Press contact for this audit preview:

Damijan Fišer – E: [damijan.fiser@eca.europa.eu](mailto:damijan.fiser@eca.europa.eu)

T: (+352) 4398 45410 M: (+352) 621 55 22 24