

Invest in efficient European network industries

“Further liberalisation of European network industries is key for European competitiveness and innovation”

BACKGROUND

Network industries (electricity/gas, transport, telecommunications, urban transport, water, etc.) are essential components of the European Internal Market.

European policy to date has primarily focused upon market liberalisation of network industries with a view to improving economic efficiency through the promotion of competition.

This policy needs to be continued in areas where it is less advanced (energy, etc.), improve the possibilities for both the private and the public sectors to invest in these industries and be revived in areas where interest has lapsed. In this context, providing guidance to regulators to support approaches that foster investment, competition and access to further develop networks is of paramount importance. Regulation needs to stimulate investment and innovation, optimising legal certainty for investors and infrastructure competition where feasible.

Continue and expand policy of market liberalisation

Efforts to promote network industry market liberalisation must continue. Having first class trans-European network industries is a key component for European competitiveness. To achieve this, efforts must continue to create a more homogenous (though not a one-size-fits-all) regulatory framework. More and better enforcement of legislation is needed to guarantee competition and fair access to networks such as, for example, telecommunications and railways. Transparency between Member States must also be guaranteed as a necessary component in the liberalisation process. More coherence and transparency in the way national regulatory agencies operate should be pursued.

Increase public investment in network infrastructure

The lack of public commitment both at EU and national level to financing network infrastructure (in particular transport networks) offers a damning indictment of current attitudes to the provision and maintenance of infrastructure necessary for network industries to function at a European level. Investment in infrastructure should be increased and be more prominent in policy-making.

High quality public services through Public-Private Partnerships

The provision of high quality public services must remain at the heart of the EU and national policy agendas. It is an important element of the society's social and economic development. However, in the face of the drastic constraints on public finances, growth and employment and the need for a greener economy, efficiency is becoming more and more critical. BUSINESSEUROPE believes that developing a stronger partnership between the public and private sectors towards the provision of public services is a win-win approach to the environmental, economic and societal challenges faced by public authorities in managing those services. Public-Private Partnerships (PPPs) are alliances between a public and private party which can help to optimise the delivery of the services in terms of their quality and their cost. The competitive award of the contract underpinning a PPP allows the delivery of value for money through whole-life approaches to optimising assets and systems. More effort needs to be made to encourage their use throughout Europe. They are a means of mobilising private sector financing to fund public sector network projects.

Make it easier for new entrants and innovators to access networks

To build efficient network industries in Europe, new entrants and innovators must be able to gain fair access to networks. European institutions and Member-State governments must act to ensure that conditions in Europe are encouraging for new entrants and innovators across Europe. They must also be aware of, and react to, dominant market players making life excessively difficult for competitors and innovators.

Focus on removing bottlenecks

Bottleneck problems are real and have serious damaging consequences for the network industries themselves and European competitiveness in general. They can range from infrastructure and administrative bottlenecks to operational and environmental bottlenecks. More must be done to tackle the various restrictions (e.g. transport access restrictions on weights and dimensions) that have arisen and continue to arise across Europe which severely reduce the efficiency of the networks.

Effective network industry policy requires first-rate decision-making and a long-term perspective

The wrong actions/reactions in network industry policy can sometimes cause as many knock-on problems as they are meant to solve. In some cases they might even prove to be anti-competitive. Action on an issue linked to network industry policy (be it reactive or proactive) should also meet the better regulation criteria and be the result of a proper analysis of what is in Europe's best interest in the long term and proper stakeholder consultation. More coherence and cooperation between EU and national levels should be also ensured.