



**BUSINESSEUROPE**

THE SECRETARY GENERAL

Mr. Andreas Schwarz  
Member of Cabinet  
DG Enterprise  
European Commission  
Rue de la Loi, 200  
B-1049 Brussels

25 March 2008

Dear Mr. Schwarz, *Dear Andreas,*

In addition to answering the online public consultation launched by DG Enterprise & Industry on the future of raw materials policy BUSINESSEUROPE is sending this accompanying note to the online Raw Material consultation. With this letter BUSINESSEUROPE would like to raise some concerns with the Commission's approach. While we welcome the new found interest in the issue, we feel that the questionnaire does not fully cover the broad set of policy concerns that BUSINESSEUROPE has called for in earlier correspondence with Vice President Verheugen, Commissioner Mandelson and Commissioner Michel. In our letter to these Commissioners on 11 January 2008 we stressed the need for this coordination.

We regret that the questionnaire does not reflect various aspects which we consider important, such as geopolitical risks, competition policy and the issue of subsidies in the field of bio-fuels. BUSINESSEUROPE feels that the implications of bio-fuels are not only impacting food prices but also the market for bio-ethanol, which causes concerns amongst our members. Moreover, some questions make us wonder whether other Commission services were involved in the development of this questionnaire. This is particularly the case for trade and development policy.

We also regret the way the questionnaire leaves little room for more nuanced views. There is no option to pick "none of the above" or "all of the above" for the multiple choice questions for example and the room for additional explanation on complex issues is limited. Finally, we regret that the questionnaire does not allow an accurate description of the nature of the respondent. The respondent profile only allows one to state the scope of activities (national, European, etc.) but does not allow the respondent to effectively communicate the importance or "weight" of its response.

Additional Comments

To facilitate access to raw materials it is important that Europe develops a comprehensive approach which encompasses the policy fields outlined by the conclusions of the Competiveness Council of 21 May 2007. This can only be achieved through genuine contributions from the various responsible Commission services.

BUSINESSEUROPE also wishes to communicate strongly that, although industry is concerned about the key challenges mentioned in the online publication, it strongly opposes binding provisions on product design. The Raw Materials Initiative should lead to less bureaucracy, not more. Business already has a clear economic incentive to design and manufacture products in an efficient way as regards the input of raw materials. Stifling regulation in this field will only serve to frustrate European businesses, complicate innovation and dampen creativity.

BUSINESSEUROPE sees the problem of access to raw materials as an opportunity for both resource holders and companies. The EU can make a great contribution to development projects through private investment and public-private partnerships in developing countries that need investment. Together with DG Development and with a consistent position from DG Trade, European businesses can provide a great stimulus to developing countries as well as increasing the access to raw materials, unmarred by trade barriers. This could also provide developing countries with a sustainable alternative to other major investors, such as China, India or Brazil.

BUSINESSEUROPE looks forwards to intensifying its cooperation with DG Enterprise on the Raw Materials Initiative. It is one of our key challenges to broaden the ownership of the Initiative among Commission services and to encourage genuine contributions in various policy fields. We feel that a more inclusive strategy will significantly benefit not just European businesses but the exporting companies and raw material intensive industries in Europe as well.

Sincerely yours,



Adrian van den Hoven