



THE SECRETARY GENERAL

Mr Günter Verheugen
Vice-President of the European Commission
200, rue de la Loi
B-1049 Brussels

28 April 2008

Dear Vice-President,

Re: Draft communication on the Sustainable Production and Consumption and Sustainable Industrial Policy Action Plan

BUSINESSEUROPE has learnt about the draft communication on the Sustainable Production and Consumption and Sustainable Industrial Policy Action Plan in interservice consultation. We welcome a number of proposals, especially those aimed at influencing consumer behaviour towards more sustainable consumption patterns by fostering the take-up of innovative products in the market place. However, BUSINESSEUROPE would like to raise several issues of concern in this important document because it will very strongly affect EU industry:

Place emphasis on the three pillars of sustainability:

The draft communication concentrates primarily on reducing negative environmental impacts and on the internal market. With a view to safeguarding the competitiveness of European companies, the proposed EU product policy should place more emphasis on an integrated approach which takes into account the social and economic, as well as the environmental dimensions of sustainability. In particular, the competitiveness aspects of products and raw materials as internationally traded goods need to be more strongly in focus.

Leave eco-design of products to industry and market forces:

BUSINESSEUROPE reiterates the common view of European business that an extension of the directive on eco-design of energy-using production (EuP) is not the appropriate way forward. In general, BUSINESSEUROPE believes that mandatory eco-design requirements should not be the priority route for enhancing the environmental performance of products. Prescriptive design criteria would inhibit technical innovation that has the potential to improve the overall performance of products, including their environmental characteristics. Industry must have sufficient flexibility to drive product development and to respond to market forces. Moreover, the EuP directive is still at the stage of drafting the first implementing measures for the first few product groups. Knowing that different products and sectors face different sustainability challenges, European industries see a sectoral approach as a more adequate solution.

Target products with significant environmental impact:

There is no justification for listing priority product groups which could be subject to eco-design requirements. The Commission's *Environmental Impact of Products* study, for example, has concluded that most assessed product groups do not have a significant environmental impact. However, those remaining groups are in fact already highly regulated. BUSINESSEUROPE calls for this list of product groups to be removed from the Action Plan. Additional eco-design regulation must be considered only following full impact assessment, under a lifecycle perspective, in collaboration with all stakeholders involved and on a case-by-case basis.

Apply science-based and consistent criteria for eco-/energy-labelling and eco-design:

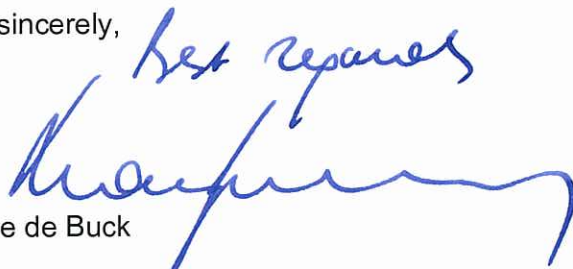
The draft communication proposes a strengthening of the bond between the EU ecolabel regulation, energy efficiency labelling directive and EuP directive. BUSINESSEUROPE recommends that the Action Plan stresses that the development of criteria for eco-/energy-labelling and eco-design, as well as green public procurement and consumer-related initiatives must be based on uniform, clear, and science-based methods. In addition, it must be developed in consultation with all stakeholders concerned and meet the dynamics of the market. By developing reliable assessment criteria in a common stakeholder process, the bonds and cohesion between policy instruments as well as voluntary corporate initiatives would automatically be strengthened.

Avoid double regulation:

As the draft communication aims to exclude specific sectors "*for which separate policies and legislation already exist for reducing environmental impact*", and in view of the existing REACH regulation, BUSINESSEUROPE calls on the Commission to specifically exclude chemicals from the scope of its Action Plan. Otherwise this would be a clear case of double legislation which should definitely be avoided.

I trust that you will consider these issues of concern carefully when the Action Plan is being finalised and remain at your disposal if you have any questions on the above.

Yours sincerely,

Best regards
A handwritten signature in blue ink, appearing to read 'Philippe de Buck', written over a horizontal line.
Philippe de Buck