



25 February 2009

## **MEETING BETWEEN THE ALLIANCE FOR A COMPETITIVE EUROPEAN INDUSTRY (ACEI) AND PRESIDENT BARROSO (25 FEBRUARY 2009)**

### **CONTRIBUTION BY MR PHILIPPE DE BUCK, DIRECTOR GENERAL OF BUSINESSEUROPE**

We are witnessing an unprecedented crisis not only for the financial sector (where we should restore the trust and the credit flows) but also for the industrial sector. At a general level, BUSINESSEUROPE has asked the Commission to coordinate even more national recovery plans. Besides this, it is vital that the Commission makes a direct and specific contribution in the crisis management and the recovery strategy, along six essential lines of action:

- Reinforce the competitiveness of EU manufacturing industry (through cost cutting, reform of education systems, enhanced support to research and innovation) ;
- Improve companies' access to finance ;
- Adapt the regulatory agenda to take account of the crisis and its long-term effects ;
- Maintain the open internal market ;
- Combat protectionism. G20 members have not all respected their commitments in this regard ;
- Intensify efforts to develop integrated policies for competitiveness; security of energy supply and climate protection.

Concerning energy and climate, it is crucially important to give top priority to the objectives of cost efficiency and maintaining the competitiveness of European companies as the December 2008 decisions on climate and energy are implemented. All attention must also focus on negotiating an international climate agreement that will not impose uneven and unfair constraints on the European industry. In addition, when developing its recovery strategy, the Commission should play an active role in helping industry to grasp the opportunities presented by the climate and energy challenges, in a way that does not place a burden on companies.

Concerning the regulatory agenda, "business as usual" is no longer an option. The crisis forces us back to the first principles of the better regulation initiative, i.e. the vision of sustainable development characterised by a balance between economic, environmental and social objectives. More than ever, the Commission must be guided by its motto of making "industrial competitiveness a cornerstone of the EU sustainable development strategy".

We should review one by one the initiatives in the current EU legislative programme, in order to reassess their impact on the economy and on industry:

- Firstly, some proposals should be voted as soon as possible, such as the late payments directive.



- Secondly, other should be reworked, like the directive on the revision of the IPPC Directive (Integrated Pollution Prevention and Control).

The current IPPC Directive represents a balanced legislative instrument which makes it possible to ensure an integrated and ongoing environmental protection policy under acceptable economic conditions. BUSINESSEUROPE therefore considers that its revision should be limited. That said, we believe there is room to improve implementation of the Directive and consequently dissemination of best available techniques (BATs) across Europe. The challenge of reconciling these two goals has not been met by the Commission revision proposal, which would render the Directive more stringent by making emission levels associated with BATs binding as emission limit values (ELVs). We do not support this provision since it represents an excessively severe restriction on flexibility which disregards local conditions. This will lead to costly measures not always proportionate to the environmental improvements they will engender.

For BUSINESSEUROPE, the most cost-effective way to meet the two goals set out above is to create an obligation for competent authorities to provide a written justification when provisions of a permit deviate from what would be expected on the basis of BATs as defined in the reference documents on best available techniques ('BREFs').

- Thirdly, exercise great caution when considering development of new regulations that can have wide ranging effects on European industry. The planned revision of the National Emissions Ceilings (NEC) Directive in relation to air quality and the development of legislation in connection with European trading of SO<sub>2</sub> and NO<sub>x</sub> emissions are cases in point here.