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**EUROPE MUST RESHAPE ITS INDUSTRIAL POLICY TO EMERGE
STRONGER FROM THE CURRENT CRISIS**

The European manufacturing industries, working together within the Alliance for a Competitive European Industry, welcome the robust conclusions from today's Competitiveness Council. They call on EU institutions and governments to urgently translate the recommendations into concrete actions.

The Competitiveness Council underlines:

- the key role of industry for the European economy
- the need to continue to react promptly to the economic recession
- the need to restore the normal functioning of financial markets
- the prerequisite of a functioning internal market and complying with state aid rules
- the need for favourable, stable and predictable framework conditions in which businesses can operate and invest
- the role of the SMEs which are the backbone of the economy

The Council, consequently, asks the Commission, European parliament and governments to:

- formulate a long-term industrial policy for the European Union in close cooperation with the industries concerned
- avoid legislation that causes excessive costs leading to 'leakage' of industrial production to locations outside the EU or a loss of attractiveness for future investments
- simplify legislation and reducing administrative burdens for industry and businesses
- carry out thorough and integrated impact assessments and cost-effectiveness analyses for all legislative and non-legislative proposals or amendments
- provide adequate time for businesses to adapt before legislation is introduced
- underpin effectively all possible forms of innovation

The Alliance urges the European Commission to step up its efforts to combat the crisis and perform a leadership role. "It must use its combined thinking power: launching measures, coordinating activities, ensuring the exchange of best practices among Member States and local governments and reshaping industrial policy for the longer-term", said Alain Perroy, chairman of the Alliance. "The new European Parliament should, from day one, declare Europe's manufacturing base as a key priority for Europe and actively help shape its future."

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About the Alliance:

The Alliance for a Competitive European Industry was formed in 2004 by 11 major European industry sector associations and BUSINESSEUROPE. The common objective of its Members is to promote the competitiveness of European industry on a global scale. The Alliance therefore encourages a policy and regulatory framework that supports that objective, reinforcing and complementing BUSINESSEUROPE's work in this respect by providing a sectoral perspective.

The industry sectors concerned – the automobile, chemicals, cement, pulp & paper, food & drink, textile & apparel, electricity, iron & steel, non-ferrous metals, oil refining and engineering industries -- represent the interests at EU level of some 6 000 large companies and 1.7 million SMEs with a combined output of nearly 5 trillion euros turnover and 1.3 trillion euros added value. These companies directly employ about 23 million people in the EU.

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