

OPEN LETTER

The objective of the Alliance for a Competitive European Industry (ACEI)¹ is to promote the competitiveness of European industry on a global scale.

We are very encouraged to see that recently, the presidents of the European Council, the Commission and the European Parliament have all stressed the importance of a strong industrial base as indispensable for driving growth and job creation in Europe. We agree that the European Union needs to develop a single industrial growth strategy in which energy, climate, environment and trade policies are aligned to support the 20% industrial GDP target.

As the body of sectoral associations representing the interests of some 6,000 large companies and 1.7 million SMEs with a combined turnover of nearly EUR 5,000 billion, we believe that a series of concrete actions is needed now in order to ensure that European industry can continue to grow, create new jobs and meet the significant challenges which lie ahead.

Actions should be targeted at:

- Maintaining global leadership and encouraging investment in innovation;
- Providing a supportive legal framework and competition rules;
- Balancing energy policy in a way that offers overall sustainability; and,
- Ensuring competitive labour markets.

BUSINESSEUROPE's **'Industry Matters: Recommendations for an Industrial Compact'** proposes a range of key policy drivers which would go a long way towards implementing the above mentioned actions. The Alliance supports "*Industry Matters*" and we ask the European Commission, the European Parliament and national governments to give careful consideration to the recommendations outlined in this document.

New industrial governance is urgently needed to ensure the mainstreaming of industrial competitiveness throughout all policy areas and decision-making levels. The Spring European Council should annually review progress made in industrial competitiveness reforms. The Competitiveness Council should become the main body to coordinate Europe's competitiveness agenda and a permanent Coordination Group in the European Commission must be established to ensure that all initiatives have a positive impact on competitiveness of European industry.

Innovation is of central importance to the continued growth of European industry and "*Industry Matters*" rightly points out that the EU must do more to effectively promote innovation across all sectors, particularly in view of the rollout of Horizon 2020 this year. The document also correctly highlights the need for better implementation and enforcement of EU legislation, as well as the benefits of reducing administrative burdens.

Europe urgently needs an energy and climate policy which is supportive of its manufacturing industry. With this in mind, we agree with BUSINESSEUROPE that EU energy and climate policy must secure a supply of affordable energy and that Europe's goals in the area of cost-competitiveness and security of supply as well as its climate objectives must be put on an equal footing.

In conclusion, we believe that implementing the policy recommendations put forward in "*Industry Matters*" will help ensure that European industry can continue to be an engine for growth, innovation and job creation while at the same time meeting its responsibilities to the environment and to society.

¹ The Alliance for a Competitive European Industry (ACEI) 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.