



Mr. Janez POTOČNIK
Commissioner for the Environment
European Commission
200 Rue de la Loi
BE - 1049 Brussels
BELGIUM

19 May 2014

Subject: Resource Productivity Target

Dear Commissioner, *Dear Mr. Potočnik,*

I would like to thank you for inviting BUSINESSEUROPE to attend the meeting on 6 May 2014. We welcome this positive engagement with industry stakeholders and look forward to continuing this dialogue. The meeting proved helpful in clarifying some aspects of the Commission's work on resource efficiency.

BUSINESSEUROPE supports your vision to make the EU a more resource efficient workplace and to closely monitor the progress we make. Indicators are important to consumers, business and policy-makers in measuring and monitoring the progress towards a more resource-efficient economy. European businesses across different sectors are already working individually or collaboratively to better understand the environmental impact of their companies, products and processes. They do so because understanding these impacts helps to develop ways to unlock resource efficiency opportunities, deliver better environmental stewardship, build up resilience and become more competitive.

However, also following the publication of the European Resource Efficiency Platform's Policy Recommendations, "*Towards a Resource Efficient and Circular Economy*", on 31 March 2014, I would like to reiterate some of BUSINESSEUROPE's concerns with the proposal to set a 30% resource productivity headline target by 2030 based on the lead indicator Raw Materials Consumption (RMC).

Firstly, a number of questions and uncertainties remain around the proposed lead indicator. Whilst it does give a signal of the connection between resource use and economic output, it is too blunt to be relevant. A weight-based indicator reflects material density. It does not reflect upon the value of resources for the economy in terms of functionality and performance or to what extent renewability and recycling of a material has been considered. Moreover, it ignores the relative scarcity and environmental impacts of the material.

The concept of resource efficiency should not only focus on the question of quantity, but also integrate the dimensions of quality and value throughout the whole life cycle of materials, in order to give it the holistic approach it deserves. The development of a set of macro-indicators reflecting a variety of complex aspects would be more fruitful and would give a more comprehensive picture of resource efficiency in Europe.



Secondly, the decision of setting a target should not be rushed. We need a better understanding of its impact and to what extent the European Commission envisages new policy initiatives. The impacts on industry and its competitiveness need to be fully assessed and taken into account. It is therefore necessary to first carry out an in-depth impact assessment, looking at competitiveness proofing and potential cumulative costs impacts, to have a clear understanding of what the benefits and costs would be.

For these reasons, the European business community does not support the proposed headline target doubling resource productivity to well over 30% by 2030 based on the proposed lead indicator.

We strongly believe that further work, in consultation with all relevant stakeholders, needs to be implemented. I count on you to take these views into account when finalising the important communication on the circular economy.

Yours sincerely,

Markus J. Beyrer