



Mr Gian Luca Galletti
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Environment Council meeting on 28 October 2014
BUSINESSEUROPE warns against the Resource productivity target

Dear Minister,

We understand that you will be discussing the recently published Circular Economy package and related resource efficiency dossier at the Environment Council meeting on 28 October. BUSINESSEUROPE supports the 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, in view of the review of the Europe 2020 strategy and consideration of resource efficiency, I would like to reiterate some of BUSINESSEUROPE's concerns with the proposal to consider a 30% resource productivity headline target by 2030 based on the lead indicator measured by GDP relative to Raw Materials Consumption (RMC).

Firstly, 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 resource productivity target, as it stands currently, promotes using less resources, while the key aim – consistent with other EU policies - should be better supply, use and re-use of resources. The RMC indicator is not fit for purpose because it is based solely on the quantity of resources used and provides no indication of efficiency, at production stage or further down the value chain. It also does not reflect upon the value of resources for the economy in terms of functionality and performance and to what extent renewability and recycling of a material have been considered.



Secondly, the decision of setting a target should not be rushed. In line with the intentions of the new Commission of President-elect Mr. Juncker and mission letter, we think that Europe needs a better understanding of its impact, especially on industry and its competitiveness. Hence it is necessary to carry out a more thorough impact assessment, looking at competitiveness proofing and how it is consistent with EU jobs and growth agenda, to have a clear understanding of what the benefits and costs would be.

Against this background, we strongly believe that the proposed 30% resource productivity headline target – via GDP/RMC - is not the right way forward and that further work, in consultation with all relevant stakeholders, needs to be implemented. 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.

You can count on our determination to act as a partner and resolute supporter to further accelerate the concept of circular economy through appropriate measures, notably further investments in research & innovation, right incentives for businesses or sharing of the best practices to unlock its potential, and helping to facilitate the cooperation across industries to strengthen circular models.

Yours sincerely,


Emma Marcegaglia
President


Markus J. Beyrer
Director General