



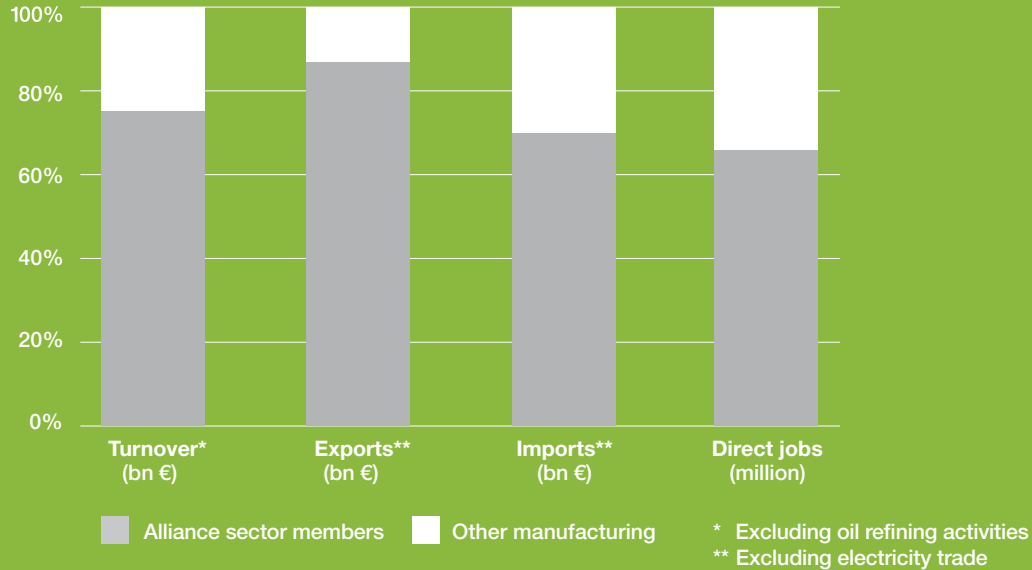
Shifting Gears for a New EU Industrial Partnership A Manifesto

|| alliance for a competitive european industry

ACEA, CEFIC, CEMBUREAU, CEPI, CIAA, EURATEX, EURELECTRIC, EUROFER, EUROMETAUX, EUROPIA, ORGALIME and BUSINESSEUROPE

Share of European Industry and Manufacturing

Key structural indicators (2008). Source: Eurostat & Alliance



Industry will be the engine of the new low-carbon, resource-efficient and knowledge-based economy.

Endowed with skills, knowledge and a highly innovative and competitive industrial base, Europe has a major responsibility and a major opportunity to ensure the necessary transition to sustainable, global growth.

This is why the **Alliance for a Competitive European Industry** calls for **a new industrial partnership** between the EU and its major industries.

The Alliance for a Competitive European Industry groups 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 and to help address Europe's radical transformation towards a sustainable and low-carbon future.

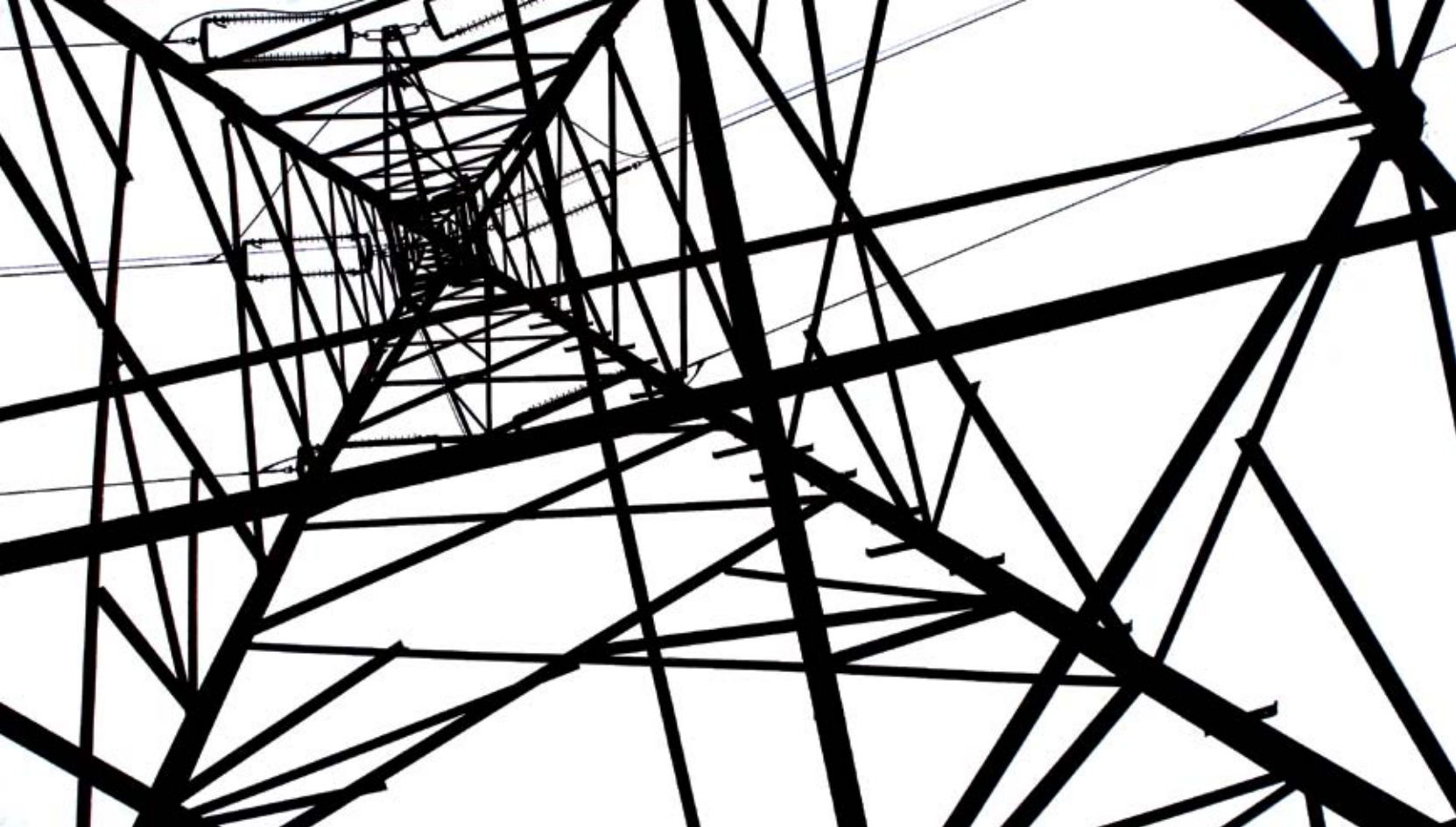
Europe needs a vibrant industry to spark the innovation and growth required to meet the societal and environmental challenges that lie ahead.

We urge EU leaders to act on the following 6 priorities:

1 **Partnership**
2 **Growth**

3 **Balance**
4 **Innovation**

5 **Markets**
6 **Skills**



Partnership

Work closely together with business to secure the future of Europe's industrial base.

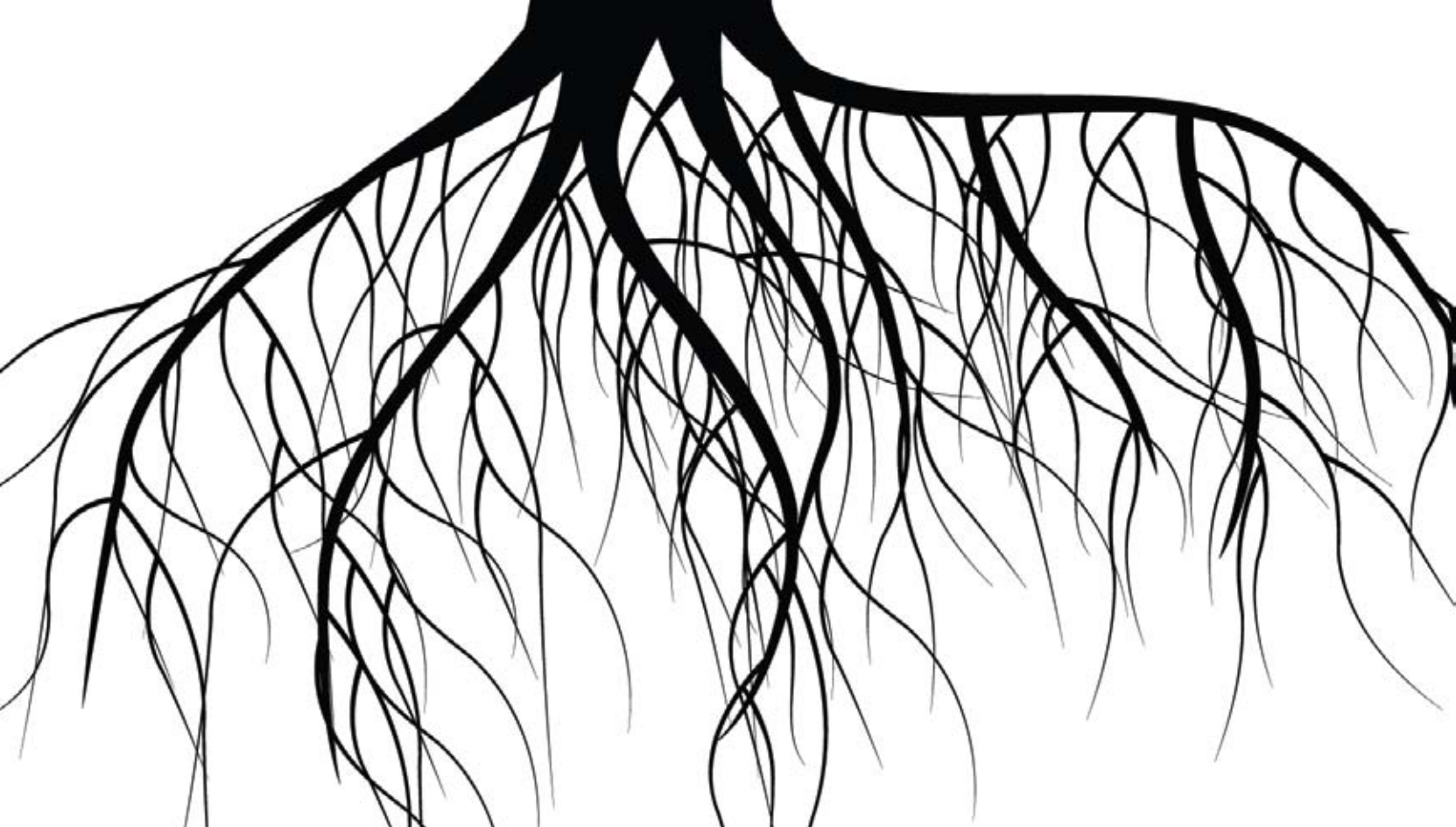
By 2025, Europe's place in the world will be radically different:

- The EU will account for 6.5% of the world's population, while Asia will be home to two-thirds of the world's population;
- The economic centre of gravity will shift to Asia, which will account for 30% of the world economy, compared to EU's 20% share;
- Natural resources will come under even more pressure as the world's population grows by one-fifth to 8 billion people.

Despite being a smaller part of a bigger world, European industry has the ambition to be a global leader in sustainable technologies and to play a leading role in the emerging 'green economy.' Without strong industrial activity, the European economy will not be sufficiently robust to support advanced health care and pension systems.

We are optimistic. Over the past 20 years, Europe has built a single market, introduced the Euro and enlarged to the East. The Lisbon Treaty now provides us with a strengthened institutional framework to tackle the challenges of globalisation and sustainability.

EU institutions and the private sector can and must work more closely together to secure the future of Europe's industrial base, which is the bedrock of prosperity and sustainability.

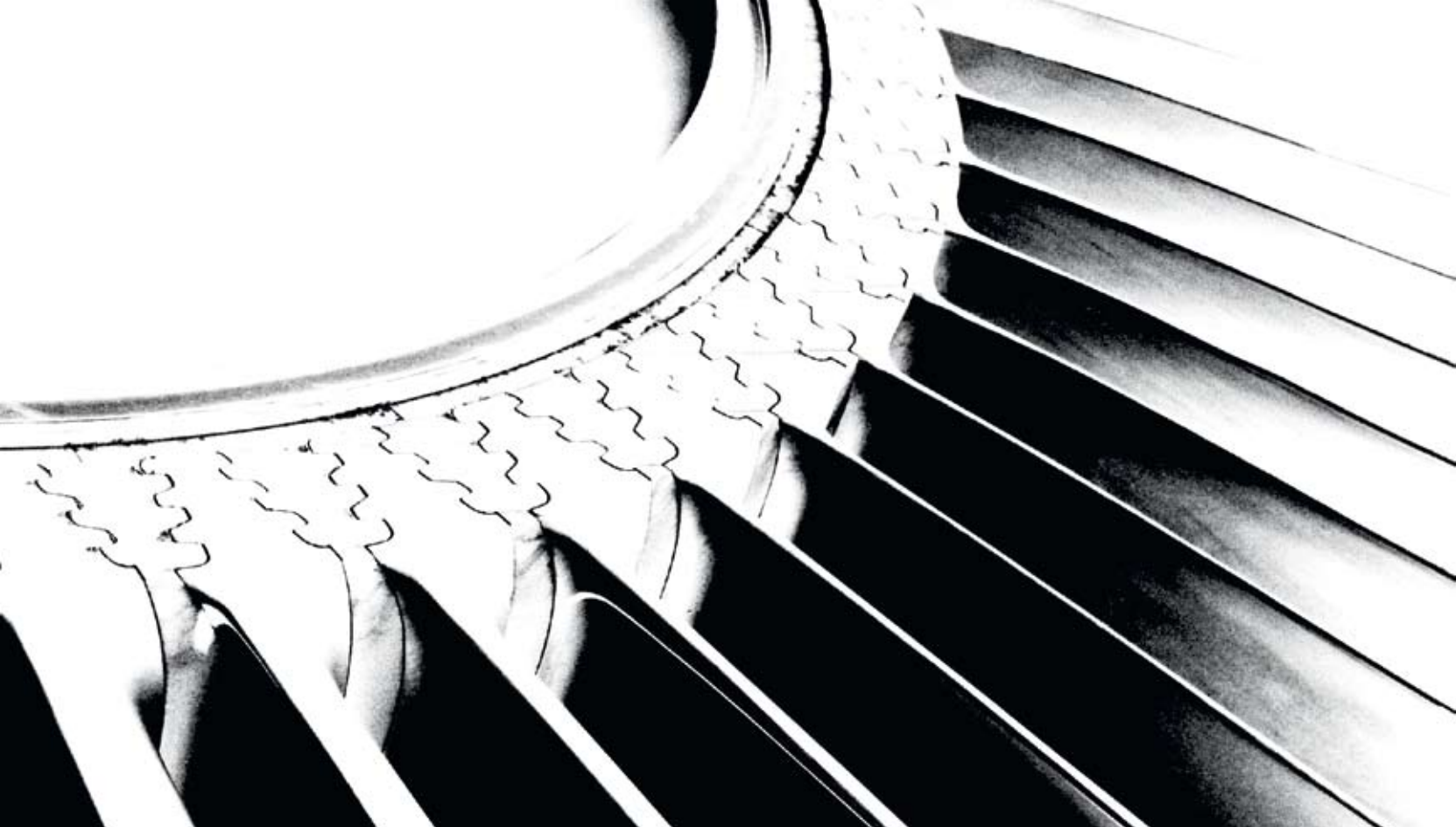


Growth

Establish the right policy mix to re-invigorate economic dynamism. Ensure that European industry comes out of the economic crisis more competitive and innovative than ever before.

Europe needs more robust economic growth to meet the societal and environmental challenges that lie ahead. The recovery from the banking and economic crisis that hit in the summer of 2008 remains slow and difficult. We call on the following measures to re-invigorate the European economy and boost employment:

- Better regulatory oversight to restore confidence in financial markets and in the banking system and to ensure favourable access to financing for all companies, in particular SMEs;
- Better coordination of monetary and budgetary policies at EU and Member State levels;
- Sensible tax policies that do not kill future growth potential, despite increased public debt levels and deficits;
- Stronger corrective mechanisms in fiscal, monetary and financial policies to reduce the likelihood of similar crises in the future;
- Restoring a more business-friendly environment to facilitate change and to encourage investment in the EU as an attractive manufacturing location;
- Investment in infrastructure that will make Europe more competitive;
- Consistent and cost-efficient legislation that reconciles competitiveness and sustainability objectives.



Balance

Take a fully integrated approach to industrial policy by carefully balancing essential climate, energy and competitiveness factors.

The EU manufacturing industry accounts for about 20% of European GDP. But industry's strategic importance is far greater because industry is at the very heart of innovation (with 80% of all R&D expenditure) and global competitiveness (with 75% of exports).

The EU has taken note of the exceptional role of industry. Europe's leaders have repeatedly declared that a strong and competitive industrial base is a key factor for achieving a knowledge-based, safe as well as sustainable low-carbon and resource-efficient economy.

The Council has called on the European Commission to develop a long-term industrial policy that would establish favourable, stable, consistent and predictable conditions to help businesses to invest and to promote excellence, innovation and sustainability. We call on all the relevant actors and EU institutions to pull together in crafting this new industrial policy.

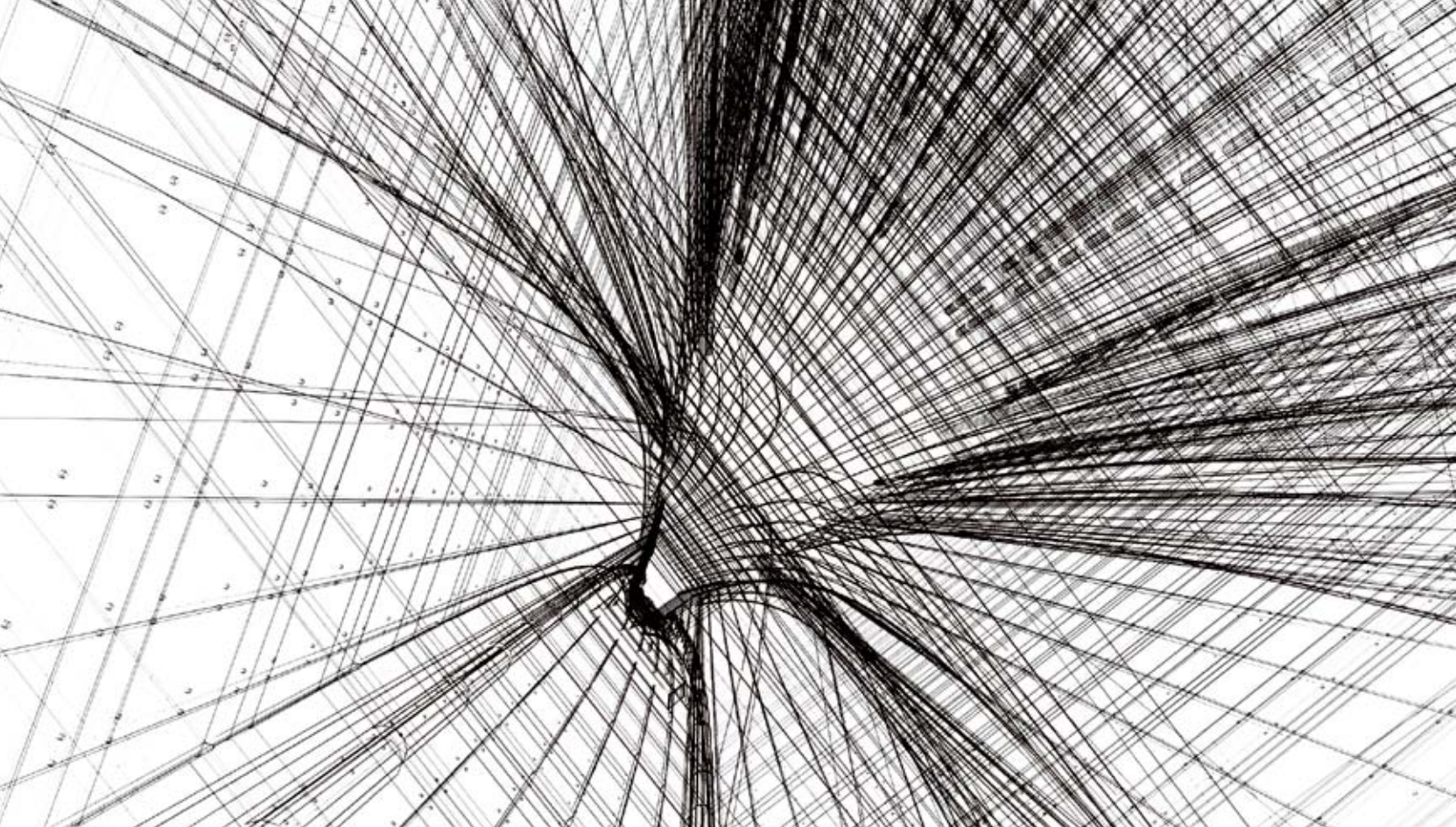
Specifically, the integrated approach must aim for the following objectives:

- Establishing the right conditions so that Europe can maintain its leadership in the key technologies that are needed to fulfil future societal needs, support employment and boost growth;

- Climate policies that recognise competitiveness as a cornerstone of sustainability;
- A diversified energy supply, in terms of technology and geography, that also curbs carbon intensity;
- Dynamic competition within and between energy sectors;
- A coherent raw-materials policy which supports sustainability and the competitiveness of European industry.

In practice, this requires immediate action to:

- Foster a balanced, global solution to climate change;
- Promote energy efficiency and resource efficiency, including recycling, across the board;
- Ensure the efficient functioning of the EU gas and electricity markets;
- Make use of all energy options, including nuclear power;
- Develop a sustainable supply of raw materials from European sources;
- Establish bio-energy and biomass policies that do not undermine the supply of raw materials.



Innovation

Establish an all-encompassing R&D and innovation strategy for Europe.

**Growth, industrial leadership and sustainability require one key ingredient: innovation.
Europe needs more innovation, thus we call on the EU to:**

- Stimulate private investment by establishing an integrated EU venture capital market, creating tax incentives and increasing public support for innovative businesses;
- Enhance the efficiency of EU public support schemes by improving the European Research Area governance model and the management of EU public-private research partnerships, and by embracing the key role of SMEs;
- Lower barriers to bringing new products and services onto the market by addressing regulation, public procurement, standardisation and interoperability and enhancing the Lead Market Initiative;
- Foster creativity and innovation by promoting, protecting and enforcing intellectual property rights;
- Promote the mobility of researchers.



Markets

Ensure access to world markets and raw materials.

The EU must aim to open export markets while maintaining effective trade defence instruments. Rising unemployment worldwide is likely to generate calls for 'buy local' provisions, state aids, non-tariff barriers and other trade impediments.

The EU must:

- Ensure that the Doha trade talks provide new market access in OECD and emerging economies;
- Pursue fair and balanced bilateral and regional Free Trade Agreements in Asia and Latin America;
- Continue cooperation with business sectors and Member States to ensure third-country market access in particular by removing tariff and non-tariff barriers;
- Implement its 2008 Communication on the Raw Materials Initiative, ensuring that European industry has access to raw materials, including renewable ones, at competitive prices.



Skills

Foster and attract new generations of highly skilled and creative workers.

Human skills are at the foundation of value creation and innovation.

The EU must:

- Nurture skill development by promoting lifelong learning, knowledge proficiency, workforce adaptability, career path development and personal development programmes;
- Address important challenges such as increased global competition for skills, ageing, restructuring constraints, intercultural working environments and mobility;
- Develop an EU skills policy involving the European Commission, national and regional authorities, schools and universities, social partners, companies and workers.

About the Alliance for a Competitive European Industry

The Alliance was founded by the European automobile, chemicals, cement, pulp and paper, food and drink, textile and apparel, electricity, iron and steel, non-ferrous metals, oil refining and engineering industries and BUSINESSEUROPE. Our common objective is to promote the competitiveness of European industry on a global scale.

The Alliance sector members account for:

- 23 million jobs
- 6,000 large companies
- 1.7 million SMEs
- €1.3 trillion yearly added value
- €5 trillion yearly turnover annually

ACEA (European Automobile Manufacturers Association) • BUSINESSEUROPE (The Confederation of European Business) • CEFIC (European Chemical Industry Council) • CEMBUREAU (The European Cement Association) • CEPI (Confederation of European Paper Industries) • CIAA (Confederation of the Food and Drinks Industries of the EU) • EURATEX (European Apparel and Textile Confederation) • EURELECTRIC (Union of the Electricity Industry) • EUROFER (European Confederation of Iron and Steel Industries) • EUROMETAUX (European Association of Metals) • EUROPIA (European Oil Refining and Marketing Industry) • ORGALIME (European Engineering Industries Association)

