

AmCham EU's response to the European Commission's Consultation on Industrial Policy

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CONSULTATION RESPONSE

1. General Information

1.1 Please enter your name, address, and e-mail address.* (maximum 300 characters)

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1.2 Who do you represent?*


- ☐ Large business
- ☐ SME (less than 250 employees)
- ☒ Business organisation
- ☐ Member State administration
- ☐ Regional/local administration
- ☐ Non-governmental organisation (NGO)
- ☐ Individual citizen
- ☐ Other



1.2.1 Please specify:



(maximum 300 characters)

1.3 In which sector(s) do you operate?  (at least 1 answers)

☒ Manufacturing ☐

Construction ☒ Utilities

☒ Other services

Other

☐ Not relevant



1.3.1 Please specify:



(maximum 300 characters)

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate U.S. investment in Europe totaled \$2.2 trillion in 2010 and directly supports more than 4.2 million jobs in Europe.

2. Policy Priorities facing European Industry

2.1 In your experience, which of the following policy-related factors are most important for the competitiveness of European business? Please select a maximum of three factors: * (between 1 and 3 answers)

- ☐ SME-friendly business environment and entrepreneurship
- ☐ Access to finance and risk capital
- ☒ Technologies, standards, design and innovation
- ☒ Skills, restructuring and structural change
- ☒ Improving the Single Market
- ☒ ICT and internet access and cross-border sales
- ☐ Better and more consistent regulation
- ☒ Energy infrastructure and prices
- ☒ Environmental regulations
- ☒ Resource efficiency including recycling
- ☒ Energy and climate policies
- ☒ International market access and global competition
- ☒ Access to raw materials and raw materials prices
- ☒ Internal transport market
- ☐ Other



2.1.1 SME-friendly business environment and entrepreneurship: please explain the importance of the issue, giving examples and evidence. * (maximum 1000 characters)

A business friendly environment must be friendly to both large companies and SMEs. Multinationals depends on SMEs as suppliers, or as service providers, and both grow and produce wealth together.

SMEs, just as any other business, need an environment in which:

- There is a little administrative burden as possible
- The cost of doing business is reasonable
- Where creating a new businesses is facilitated
- Where there is increased flexibility in the labour market.



2.1.2 SME-friendly business environment and entrepreneurship: how can businesses themselves better respond to these issues? * (between 100 and 1000 characters)



2.1.3 SME-friendly business environment and entrepreneurship: what can policymakers do to address the issues at Member state, local or regional level? * (maximum 1000 characters)



2.1.4 SME-friendly business environment and entrepreneurship: what can policymakers do to address the issues at EU level? * (maximum 1000 characters)



2.2.1 Access to finance and risk capital: please explain the importance of the issue, giving examples and evidence. * (maximum 1000 characters)

Private sector access to finance is an important to ensure a sustained economic recovery is achieved. Decision-makers need to boost companies' access to finance and reduce the cost of capital. Well-functioning financial markets with an appropriate level of regulation will be crucial. Regulation should not stifle firms' access to finance, without which there will be less growth and employment opportunities.

Venture capital and EU funding are fundamental if SMEs are to flourish in Europe, promote economic growth and lay a foundation for innovation . However, the current economic situation has a negative impact on venture capital in Europe, particularly in comparison to the US and Asia. Investment in biopharmaceutical SMEs is seen as an especially high risk for eg, due to the long and expensive development and approval procedures.



2.2.2 Access to finance and risk capital: how can businesses themselves better respond to these issues? * (maximum 1000 characters)

Initial Venture Capital support for SMEs should be focused on efficiently advancing the new technology at the core of the company, rather than expanding corporate infrastructure, even though that has the effect of reducing employment levels in the short term. This approach will build a solid foundation for long term, sustainable growth and jobs at a later stage of the technology. Industry should actively participate in a dialogue with decision makers in EU Institutions and Member States to address the challenges of the venture capital system in Europe.



2.2.3 Access to finance and risk capital: what can policymakers do to address the issues at Member state, local or regional level? *

(maximum 1000 characters)

Different national, administrative, regulatory, employment and tax rules make cross-border investment difficult. Member States should introduce more flexible and investor friendly regulations and decrease restrictions on capital mobility. Member States should also make maximum use of European State Aid exemptions for research, development and innovation. Member States should understand that both capital and skilled labour are highly mobile, and will seek the most promising environment to build valuable technologies and companies for the long term.



2.2.4 Access to finance and risk capital.: what can policymakers do to address the issues at EU level? *

(maximum 1000 characters)

The Regulation on European Venture Capital Funds should be implemented without delay to help facilitate better access to finance for SMEs across Europe. EU funding instruments (Particularly the EIB) should be made more accessible to SMEs and a short term investment vehicle should be developed to increase risk capital. The EU Framework Programme for Research should be more attractive for biopharmaceutical SMEs and unnecessary administrative and cost barriers should be addressed.



2.3.1 Technologies, standards, design and innovation: please explain the importance of the issue, giving examples and evidence. *

(maximum 1000 characters)

Innovation is an essential driver for growth and productivity. There is both a real and perceived lack of innovation in the European Union. The innovation gap is already affecting Europe's ability to tap into new sources of economic growth. However, in the long run, innovation in Europe can only develop if the innovation ecosystem is in place, i.e. the availability of talent and skills, access to financing and to adequate infrastructure.

Standards can make or break a market and determine which products and services can be sold. AmCham EU welcome efforts to further integrate the setting of standards at European level. However, the existence of a European standardisation process needs to be considered in parallel with its design and functioning.



2.3.2 Technologies, standards, design and innovation: how can businesses themselves better respond to these issues? * (maximum 1000 characters)

Large multinational companies are active across jurisdictions. The largest market in the world is the transatlantic market and AmCham EU member companies would like to see increased collaboration on standards and regulatory convergence to help them address the regulatory risks which dissuade them from investing in either the US or the EU.

Technologies and standards that are not developed based on market demand, are doomed to fail. In order to be successful in developing technologies, design products and services and continue to innovate, business must be able to take advantage of an environment conducive to innovation (see pt. 2.3.1.) and an appropriate regulatory and investment climate. The process of standard setting should also be faster to support emerging policy areas like eco-design. Standards for services have been slow to develop, eg in fire, security and monitoring services, where the market needs EU-wide quality standards for products and services.



2.3.3 Technologies, standards, design and innovation: what can policymakers do to address the issues at Member state, local or regional level? * (maximum 1000 characters)

Please refer to response 2.3.4. Arguments are also applicable to the national level. In addition, national policymakers can support the establishment of innovation “super clusters” that bring together a broad and diverse mix of skills, venture capital, marketing and development expertise, universities, industry and spin-offs. If governments are convinced of the importance of these ecosystems, they must not only make an effort to meet the target of 3% of GDP investment in R&D, but they should also facilitate access to S&T training and invest in infrastructure that allows people to build innovative start-ups.



2.3.4 Technologies, standards, design and innovation: what can policymakers do to address the issues at EU level? * (maximum 1000 characters)

AmCham EU would the following taken into account to streamline the standards process:

- The process should be transparent, open to all stakeholders, and non-discriminatory;
- The process should be technology neutral;
- The process needs to be nimble enough to keep up with technological developments;
- A robust enforcement procedure with adequate market surveillance structures needs to be created; and
- The legislation should provide sufficient transition periods before its enforcement to allow for the development of standards.

Global harmonisation is also an important long-term objective to be pursued. The EU can help foster industrial innovation by investing in Europe’s digital and physical infrastructure and supporting the creation of regional business and sectoral networks. The EU also needs to fight against counterfeiting and piracy



2.4.1 Skills, restructuring and structural change: please explain the importance of the issue, giving examples and evidence. * (maximum 1000 characters)

In its aim to become the most dynamic global economy, Europe needs to ensure its labour force has the right skill set for sustainable economic growth. Policymakers should ensure a focus on science, technology, engineering and mathematics skills. Europe also needs to attend to other skills that will help build sustainable economic growth, such as leadership, entrepreneurialism and ‘green skills’. There is a great opportunity for Europe to step up efforts to attract young talent to a career in the area of science, technology, engineering and mathematics.



2.4.2 Skills, restructuring and structural change: how can businesses themselves better respond to these issues? *

(maximum 1000 characters)

In challenging economic times businesses need to attract human and capital resources in the most flexible manner, from throughout the internal market. Businesses must swiftly identify what they need to maintain sustainable innovation, development, production and sales. At the end of the day, local and global market forces will continue to define the health of Europe's industry which may be either slowed down or facilitated by its regulatory framework. Business must be nimble to be successful. In times of crisis this means restructuring, cutting unnecessary expenses and continuing to invest in operations, such as R&D, which are growth producing. The businesses which have done this have bounced back from the crisis and have started growing once again. The public sector, which represents 50% of Europe's GDP could learn from this example, and help put Europe back on the road to growth.



2.4.3 Skills, restructuring and structural change: what can policymakers do to address the issues at Member state, local or regional level? *

(maximum 1000 characters)

National and local governments must increasingly look across borders because of the globalisation of European industry's supply chain and customer footprint. This is both true from an EU (internal market) and 3rd country market perspective. Governments should be aware that local measures may have an impact on global supply chains and markets thereby affecting business' decision-making. For the manufacturing industry, cost of production (including cost of investment, tax regime and people) and the availability of talent and expertise are key to maintaining local productivity and growth. Please also refer to response 2.4.4



2.4.4 Skills, restructuring and structural change: what can policymakers do to address the issues at EU level?

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(maximum 1000 characters)

Europe must ensure that it remains an attractive environment for world-class research. A common strategy on attracting skilled labour as well as ensuring the free movement of people between member states through harmonised visa requirements could help put Europe on a more sustainable competitive footing. One example of how obstacles to mobility can potentially lead to unsatisfying results can be demonstrated in the case of intra-corporate transferees. The ability of companies to utilise their global resources – their people – with the right skills quickly and efficiently is critical to their ability to service their own business needs and the needs of their customers and clients.



2.5.1 Improving the Single Market: please explain the importance of the issue, giving examples and evidence.



(maximum 1000 characters)

Completing the EU single market could help boost EU GDP and would increase productivity, investment, trade and help create new jobs. More importantly, it will help ensure Europe maintains its position as a global economic centre and authority. While progress has been made in completing the single market, barriers still remain. The free movement of goods, people, services and capital has yet to be fully achieved. Europe needs to improve the ease with which economic activity can take place across national borders. In all sectors, full liberalisation and functioning markets need to be achieved. This is particularly the case in the field of security services where the market is held back by the lack of EU-wide standards for products and services, with national, regional and city-level standards fragmenting the market.



2.5.2 Improving the Single Market: how can businesses themselves better respond to these issues?*

(maximum 1000 characters)

The EU regulators and governments must produce a growth agenda around the completion of the single market, especially in sectors such as energy and infrastructure, which are key to the competitiveness of any manufacturing in Europe.

Once the market is there, and the hurdles to investment and growth have been removed, business will do its part in capitalising on the growth potential which is there, and help the EU and its citizens reap the benefits of economic growth.

Industry will invest where the conditions are best for its shareholders both in the short and the long run. For many multinational companies, a fully functioning Single Market, with stability and predictability continues to be a key incentive for continued investment in the EU.



2.5.3 Improving the Single Market: what can policymakers do to address the issues at Member state, local or regional level?*

(maximum 1000 characters)

Member States of the EU play an essential role in the implementation and enforcement of community law. That being said, the transposition and implementation of EU law is uneven, especially in dossiers that are politically sensitive. On multiple occasions, Member States have committed themselves to improving transposition and implementation (European Summits in 2001, 2002, 2003, 2004 and 2007), even going so far as to set transposition deficit targets. Although there are exceptions, Member States have not only not met targets, but the delay in transposition and implementation is increasing. Member States must work harder to ensure the timely and correct transposition of EU law in order for the Single Market to function as intended.



2.5.4 Improving the Single Market: what can policymakers do to address the issues at EU level?*

(maximum 1000 characters)

Members of AmCham EU have consistently highlighted that barriers in the Single Market do not come from a lack of legislation. Rather, the problems companies faces are related to the poor transposition and implementation of EU law. In this regard, the Commission, as guardian of the treaties, must do more to ensure that Member States live up to their legal obligations. Soft instruments such as benchmarking (the Internal Market Scoreboard) highlight where problems exist. 'Naming and shaming' however can only do so much. The Commission should pursue infringement procedures where appropriate, but ensure that they are settled in a timely manner. Furthermore, the Commission could make use of the treaty provision allowing for immediate fines to be levied in the case of improper implementation (Article 260.3 TFEU). Though this may seem heavy handed, it would show that the Commission is committed to the implementation of Single Market laws.



2.6.1 ICT and internet access and cross-border sales: please explain the importance of the issue, giving examples and evidence.*

(maximum 1000 characters)

The Information and Communication Technology (ICT) industry has proved to be an important enabler for economic growth and social empowerment. Policymakers have underestimated the contribution of ICT to the real economy. The spill-over effect of ICT investments have resulted in innovative ways of providing education and new ways of interacting socially, doing business, delivering better healthcare, reshaping links between governments and citizens, and improving competitiveness. Consequently, the widespread use of ICT has had a larger economic impact in comparison to any other kinds of sector-specific investment.



2.6.2 ICT and internet access and cross-border sales: how can businesses themselves better respond to these issues?*

(maximum 1000 characters)



2.6.3 ICT and internet access and cross-border sales: what can policymakers do to address the issues at Member state, local or regional level?



(maximum 1000 characters)

Member states should utilise EU funds earmarked for the member states to further infrastructure investments in well-functioning telecommunication networks (as well as for energy and transport). Investments that provide adequate connections, reduce congestion and enable innovation should be accelerated, since they can spearhead recovery efforts, deliver growth, open markets, create jobs, bring cohesion, build lasting assets, enhance global competitiveness and improve the EU's attractiveness for industrial investment, as well as its overall quality of life.



2.6.4 ICT and internet access and cross-border sales: what can policymakers do to address the issues at EU level? *

(maximum 1000 characters)

ICT is only playing a minor role in Europe's economic recovery measures, both at the EU and national levels. The EU should use the current crisis to refresh its economic framework and make sure that investments are made in the ICT sector to prepare Europe's economic future. Related to this, AmCham EU encourages the carefully targeted use of European and national funds to help finance the deployment of fixed and wireless broadband networks. While the Connecting Europe facility (CEF) aims to leverage additional public and private investment in digital infrastructure, it is important that public sector funding does not create disincentives to invest in new areas, nor create market distortions in areas where private capital has already been deployed. As broadband becomes more ingrained in our everyday lives networks will need to dynamically provide the performance capabilities required by the increasingly diverse array of services, applications, and content travelling over them.



2.7.1 Better and more consistent regulation: please explain the importance of the issue, giving examples and evidence. *

(maximum 1000 characters)

To facilitate economic growth, improve the business environment and attract new investment, a consistent and predictable regulatory environment is necessary. Several pieces of EU environmental legislation overlap, or are implemented inconsistently. REACH and its coexistence with other sectoral EU legislation targeting the same chemicals substances is one example.

Environmental legislation on products can also lead to inconsistent legislation and regulatory frameworks that work against a single market. For eg recycling (WEEE) laws that are based on the environmental legal base lead to national legislation which is inconsistent, with variations in registration and fee schemes. This is a burden on companies (large and small alike) which do business in the EU.

For more details and examples, please see the attached position paper on 'Consistency of EU chemical policy.'

2.7.2 Better and more consistent regulation: how can businesses themselves better respond to these issues? *

(maximum 1000 characters)

Market surveillance could be made more effective for environmental laws: e.g. exchange of information in instances of non-compliance; exchange of information and recognition of court cases involving non-compliance.

Industry could help surveillance authorities in this process by conducting an initial screening and flagging products that may be non-compliant; stressing the importance of good quality testing laboratories and mutual recognition of testing result; streamlining testing to reduce costs and improve efficiency.

On a broader level, market surveillance is important for the development of a single market for green products, to deter free-riders, and reward companies that are investing in green product development.



2.7.3 Better and more consistent regulation: what can policymakers do to address the issues at Member state, local or regional level?

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(maximum 1000 characters)

Better coordination among member state authorities on rules impacting products and services.

Increased transparency and access to electronic information for both companies and individuals.



2.7.4 Better and more consistent regulation: what can policymakers do to address the issues at EU level? *

(maximum 1000 characters)

The EU must do more to ensure EU law is applied consistently and that Member States live up to their legal obligations. The Commission should pursue infringement procedures where appropriate. That said, these are taking too long (25.5 months according to COM SWD(2012)25). New structures should be in place to support implementation, thereby reducing the need for infringement proceedings, or allowing for the settlement of infringement cases in the pre-litigation phase.

Furthermore, the Commission could make use of the treaty provision allowing for immediate fines to be levied in the case of improper implementation (Article 260.3 TFEU). Responding faster to non-implementation - as was the case for RoHS or the batteries Directive - could reduce unnecessary costs. The EU should make it easier for everyone to access information on the status of implementation and list national points of contact.



2.8.1 Energy infrastructure and prices: please explain the importance of the issue, giving examples and

evidence. * (maximum 1000 characters)

It is important to recognise that energy infrastructure is central to competitiveness of European industry. New efforts need to be engaged to further develop an efficient internal market for network industries, which deliver competitive prices for industry. Further infrastructure investments can no longer be delayed. Investments in well functioning energy systems that reduce congestion and enable innovation should be accelerated. They will spearhead recovery efforts, since they open markets, create jobs, build lasting assets, and improve the EU's attractiveness for industrial investment. Europe has a diverse energy mix, but due to inefficiency and unique burdens (ETS, or exceptionally high taxes for example), it has the highest power prices in the world. Energy costs are critical to industrial competitiveness, as can be seen in North America where the current low natural gas prices (due to shale gas development) are now providing an economic incentive for industrial investment.



2.8.2 Energy infrastructure and prices: how can businesses themselves better respond to these issues? *

(maximum 1000 characters)

AmCham EU is convinced that further infrastructure investments can no longer be delayed, if we wish to maintain and expand Europe's infrastructure at a time when global competitors race ahead to build the growth enablers of tomorrow. Investments in well-functioning energy, transport and communication systems that have adequate connections, reduce congestion and enable innovation should be accelerated. Business is prepared to invest in infrastructure, but AmCham EU stresses the importance of policy stability when looking at long-term investments.



2.8.3 Energy infrastructure and prices: what can policymakers do to address the issues at Member state, local or regional level? * (maximum 1000 characters)

Member states must maintain a high level of productive public investment and finally implement much needed structural reforms. We are concerned that that only a limited amount of infrastructure investments identified under cohesion policy have been engaged through the current programming period. This needs to be addressed in the forthcoming EU budget agreement. Furthermore, Member States have cancelled or postponed major projects during the crisis at a time when 'productive' public expenditure should instead stimulate higher rates of growth in the longer term.

Unbundling of production and distribution must be completed, otherwise incumbents will not make the considerable investments needed, as it is not economical for them to do so. . Member States and the European Institutions must provide leadership and guidance. National and European regulators have a key role to play and the Commission must exert its influence to accelerate the implementation of the necessary regulatory bodies.

2.8.4 Energy infrastructure and prices: what can policymakers do to address the issues at EU level?*

(maximum 1000 characters)

What is required is the creation of a European infrastructure funding strategy, taking advantage of new instruments such as EU project bonds and public private partnerships. It is also important to reinforce that the earmarking of revenues generated from the respective networks should contribute to secure adequate funding for the massive infrastructure investments needed.

Liberalisation of the electricity market has so far not produced more competition. The contrary has happened; in the absence of strong regulators, former monopolists have become even stronger and prices have risen to levels that are unsustainable for users. Stronger regulatory supervision is needed (to allow normal producer/user negotiations), and Europe needs a working, transparent electricity market with proper European regulation.

2.9.1 Environmental regulations: please explain the importance of the issue, giving examples and evidence.*

(maximum 1000 characters)

AmCham EU members have substantial experience and expertise in the field of environmentally responsible manufacturing and industry processes. Environmental regulations can have important implications on how goods are manufactured and maintained. It is important that any environmental regulation that is proposed is analysed effectively with proper impact assessments to ensure regulation meets the desired policy objective. Much work has already been done at the manufacturing level to reduce the environmental impact of production through enhanced process efficiency alongside waste, water and emission reductions. Often, such environmental measures have also shown a reduction in costs as well as environmental benefits.

2.9.2 Environmental regulations: how can businesses themselves better respond to these issues?*

(maximum 1000 characters)

US companies take compliance with legislation very seriously. They try to anticipate regulatory developments, as there is a competitive advantage in doing so. Unfortunately, there is not always enough predictability in the field of EU environmental policy to make this possible. This has a negative influence on decisions to make large investments in the EU market.

As in answer 2.7.1., we note this is especially the case in how the REACH risk management procedures coexist with other sector specific initiatives. Eco-design is an eg of where SMEs, and larger companies, have considerable problems in participating in this process which has been subject to many delays, and last minute decisions. For eg, manufacturers of wine coolers (where France and the EU are leading the market) were not included in the eco-design decision-making process which was dominated by domestic appliance manufacturers, and resulted in ill-designed standards for an emerging commercial business sector.

 2.9.3 Environmental regulations: what can policymakers do to address the issues at Member state, local or regional level?

* (maximum 1000 characters)

Better enforcement and transposition of EU environmental legislation is needed.

Greatly improve access to information, ideally in electronic form.


 2.9.4 Environmental regulations: what can policymakers do to address the issues at EU level? *

(maximum 1000 characters)

In eco-design, all too often, the importance of being technologically-neutral and consumer-focused in setting rules is destroying potential gains of promoting energy efficient products, eg setting specific requirements for fans incorporated into products that cannot be practically tested and do not necessarily add to the energy performance of the appliance and definitely do not help the consumer in product selection.

All too often, the requirements favour incumbent technologies and actively discourage innovative technologies, eg using heatpumps in homes instead of burning fossil fuels.

In addition, eco-design is being stretched to try to cover larger, system-level, applications, eg heating, cooling and refrigeration in large buildings and supermarkets. Eco design should adopt a holistic approach to energy efficiency in buildings, and look for example at building envelope and systems rather than at individual product level.

 2.10.1 Resource efficiency including recycling: please explain the importance of the issue, giving examples and evidence. * (maximum 1000 characters)

AmCham EU welcomed the “Roadmap to a resource efficient Europe” published by the European Commission in 2011. AmCham EU understands the need to move toward a ‘circular economy’ that is as close to waste-free as possible and that allows for sustainable consumption. We support the proposal to ensure that the real costs of resource use are properly addressed. We also recognise that this requires a transformation in both commercial and individual behaviour. We support the emphasis set on the need for a cross-sectoral implementation of life cycle assessment methodologies and the adoption of sound indicators. Many energy efficiency investments face a number of market barriers and investment disincentives, particularly in the building sector. These need to be addressed.



2.10.2 Resource efficiency including recycling: how can businesses themselves better respond to these issues? * (maximum 1000 characters)

Large multinational companies are increasingly mindful of their impact on natural resources and take this dimension into account in their long-term planning. Many companies have already implemented initiatives that have delivered cost savings and environmental benefits in the fields of energy, water, waste and air emissions.



2.10.3 Resource efficiency including recycling: what can policymakers do to address the issues at Member state, local or regional level? * (maximum 1000 characters)

EU waste rules should not create trade barriers or distort the single market. The burden and costs of managing waste should be shared in an equitable and workable manner. These rules should also promote cost-efficient recycling, recovery of materials and energy which is essential to reduce resource-use. Specific to waste treatment, currently resource-rich waste may be incorrectly classified as hazardous. This means a significant portion of resource-rich waste is destroyed rather than entering into the reuse or recycling market.

In addition, the inability to transport this waste into other Member States (intra-EU) because of a hazardous classification inhibits the most environmentally suitable management of this waste. Allowing lower risk shipments would not only support the more appropriate processing of this waste, but also increase competition between waste processing vendors and organisations and would incentivise many to continue investing in upgrading their technologies.



2.10.4 Resource efficiency including recycling: what can policymakers do to address the issues at EU level? * (maximum 1000 characters)

In setting milestones, the Commission should include scarce primary raw materials among the critical indicators, as well as water, land and CO₂.

When defining resource efficiency indicators, it is essential that EU authorities introduce End-of-Life recycling, comparing the amount of metals obtained from recycling with the amount of metals available at the end of life of a product. The European Ecolabel could be a beneficial mark for consumer products with static design and stable supply chains. On footprinting there is a clear need to better understand both the limitations and the potential of methodologies to measure the CO₂ and resource intensity of production and the whole supply chain.



2.11.1 Energy and climate policies: please explain the importance of the issue, giving examples and evidence.



(maximum 1000 characters)

There can be no sustainable industrial production without competitive energy. Europe has a diverse energy mix, but due to inefficiency and unique burdens, it has the highest power prices in the world. The EU needs a regulatory environment that promotes a liberalised energy market. When the market functions efficiently, supplies move, innovation is encouraged, and competition drives down consumer costs. Mandating a specific energy mix is likely to stifle innovation and to end up with higher costs and reduced reliability.

Energy efficiency policies and initiatives are key to lower energy costs, increase energy security and reduce emissions. Studies have shown that for a million euros invested in buildings efficiency projects, an average of 19 jobs are created.

When climate change policies directly impact products, they should not prevent the free movement of goods and lead to market fragmentation (eg fluorinated gases used in industrial processes, products.)



2.11.2 Energy and climate policies: how can businesses themselves better respond to these issues?*

(maximum 1000 characters)

Confidence to develop and market innovative, energy efficient and climate-friendly products is vital. This confidence must be bolstered by certainty that these investments will be rewarded in the market place, not eroded by “free riders” and false environmental claims of competing products, due to a lack of market surveillance.

AmCham EU stresses the importance of policy stability when looking at long-term investments. Availability of capital is very important, however, it is the certainty provided by clear, consistent and predictable policies which really makes a difference. This is particularly the case with regard to political and economic risk. Private capital flows may be unlocked if policies make this investment risk acceptable.



2.11.3 Energy and climate policies: what can policymakers do to address the issues at Member state, local or regional level?



(maximum 1000 characters)

Industry urges the EC to better assess the real costs and competitive disadvantages linked to carbon leakage. There is an urgent need for realistic assessments of the pass-through of emissions allowance costs in electricity prices and the impact of increased electricity prices on industry.

Energy opportunities, such as the development of shale gas could play an important role in the EU energy mix and policymakers should consider its potential role in boosting industrial economic competitiveness as it has done in North America.

AmCham EU believes the transition to a low-cost carbon economy brings a number of opportunities, legislation therefore needs to provide appropriate incentives to assist the up-front costs of the deployment of energy efficient solutions. The buildings sector offers great cost savings opportunities at national level, but already existing EU buildings regulation needs to be better implemented and enforced. Green public procurement rules and guidance also offer good opportunities to improve efficiency in the public sector building stock.



2.11.4 Energy and climate policies: what can policymakers do to address the issues at EU level? *

(maximum 1000 characters)

Policy-makers must undertake an in-depth assessment of existing and future proposals on energy and climate change policies in order to prevent further de-industrialisation of Europe. The European Union and Member States should work with businesses to assess the cumulative impact of existing and future proposals on energy and climate change policies and develop better knowledge. Environmental legislation must take into account the competitiveness of industry, balancing regulation and economic cost, to ensure that limited resources are most effectively employed. AmCham EU sees energy efficiency as a key priority as it is one of the most cost effective ways to enhance energy security and reduce emissions of greenhouse gases and other pollutants, with many savings available from end-use sectors at negative cost. The building sector offers big opportunities for improved efficiency, but to kick start markets, ambitious policy and targets are needed at EU and national levels.



2.12.1 International market access and global competition: please explain the importance of the issue, giving

examples and evidence. * (maximum 1000 characters)

AmCham EU advocates for an open market economy and free trade; and has continuously supported the EU's market opening efforts worldwide. The aversion of some major trading partners to reciprocally liberalise domestic markets towards EU products and services makes it essential for the EU to consider a stricter policy approach vis-a-vis those partners. Any such EU policy should be non-discriminatory and balanced; i.e. not a tool for economic protectionism (particularly in the area of key energy and/or raw material market).

Europe's industry is increasingly in competition with every region of the world. It should be ensured that the EU maintains its competitive position. Cost factors and an uneven global-playing field can lead to a shift of investments in upstream activities towards extra-EU countries. AmCham EU supports Commissioner De Gucht's proposal for an "external competitiveness proofing" of all new EU legislation to ensure that new EU legislation "is not unduly trade disruptive".



2.12.2 International market access and global competition: how can businesses themselves better respond to

these issues? * (maximum 1000 characters)



2.12.3 International market access and global competition: what can policymakers do to address the issues at Member state, local or regional level?



(maximum 1000 characters)

The Commission should ensure that all companies operating in Europe, regardless of their size, origin or geographic location, benefit from the same regulatory and financial measures; especially regarding government funding (often a key element of any industrial policy). Any aid allocated to companies for R&D funding should consistently be based on the capability of companies/sectors to bring innovative products and processes to the market.

A close working partnership between public authorities and business enhances European competitiveness. AmCham EU welcomes all formal means for input and remains at the EU's disposal for dialogue.

A close working relationship between EU, Member State and local/regional level is also essential for a successful industrial policy. Instruments, such as COM (2012) 124, that allow local entities to act unilaterally with the risk of impeding EU's international negotiations should be avoided.



2.12.4 International market access and global competition: what can policymakers do to address the issues at

EU level?  (maximum 1000 characters)

We believe that the best line of action for all market access restrictions should be intensive dialogue armed with a full picture of the situation. An example of this is the Commission's Market Access Advisory Committee which informs stakeholders of problems, in advance where possible, and seeks positive resolution of challenges in third countries once notified by industry stakeholders. This method has been effective in a number of cases, providing concrete results for several industry sectors and opening or protecting access to important markets.

Of course dialogue will not always be sufficient, and when all other options have been exhausted, the WTO dispute settlement mechanism should be used to ensure trading partners respect the commitments made. AmCham EU welcomes the Commission's effort to modernise the EU's Trade Defence Instruments; although we have some concern regarding certain suggested aspects of the modernisation in the Commission's consultation.



2.13.1 Access to raw materials and raw materials prices: please explain the importance of the issue, giving

examples and evidence.  (maximum 1000 characters)

Access to strategic raw materials is central to industrial competitiveness. Europe imports a large percentage of its needs. It cannot continue on this trend or it will put entire industrial value chains at risk. No local source means less innovation and a dangerous reliance on extra-European supply sources. Metals and their compounds are potentially subject to three different EU regulatory processes. AmCham EU is keen to ensure that current and future policies and regulation are consistent for compliance and enforcement purposes.



2.13.2 Access to raw materials and raw materials prices: how can businesses themselves better respond to these issues? * (maximum 1000 characters)

The business community is eager to work with EU regulators to ensure a coherent approach minimising industry's compliance challenges and avoid the development of different regulatory proposals and compliance processes covering the same substance. This should also serve to ease the burden on national authorities in terms of facilitating enforcement.



2.13.3 Access to raw materials and raw materials prices: what can policymakers do to address the issues at Member state, local or regional level?



(maximum 1000 characters)

Continue to analyse the potential impact of rules on trade flows and work with the WTO. Ensure that national standards are technological neutral and necessary, they should not constitute technical barriers to trade.



2.13.4 Access to raw materials and raw materials prices: what can policymakers do to address the issues at EU level? * (maximum 1000 characters)

AmCham EU believes that EU trade policy related to raw materials should help create a level playing field to enable European manufacturers to compete globally and maintain a strong European manufacturing base, which will be vital for the success of the EU2020 strategy. EU trade policy should ensure reliable access to raw materials at world market prices without restrictions and trade distortions. AmCham EU welcomes the action the EU undertook, in cooperation with the US and Japan, at the WTO regarding China's export restrictions on rare earth minerals.

In addition, AmCham EU members would welcome the EU promoting new technologies for renewable raw materials and providing the appropriate infrastructure for their storage and use. Access to competitive raw materials that are produced in sustainable conditions must be a top priority.



2.14.1 Internal transport market: please explain the importance of the issue, giving examples and evidence.



(maximum 1000 characters)

There is no competitive economy without efficient transport. The contribution of transport to the economy at all levels should be acknowledged and emphasised. Further infrastructure investments can no longer be delayed to maintain and expand Europe's infrastructure at a time when global competitors race ahead to build the growth enablers of tomorrow. AmCham EU strongly believes that any transport policy must be cross-modal in design, since modal shift is neither possible nor suitable in the vast majority of traffic flows.



2.14.2 The internal transport market is well developed, however not to the same extent for all modes. Where do you see from an industry perspective priority areas of action?

(maximum 1000 characters)

A level playing field in the revised EU policy for transport should be ensured as well as a balanced approach for all transport. Any EU policy on transport should be based on the following principles:

- the economy is dependent on reliable, affordable transport and without it, economic recovery will be threatened;
- investments are needed in infrastructure and in fleet renewals;
- co-modality and a level playing field need to be ensured through a holistic approach; and
- cost-efficiency must and can be at the heart of any solution to decrease CO2 emissions and increase safety in the transport sector.

To achieve an full integrated single transport market it is important to (i) liberalise road transport; (ii) further liberalise the railway market (iii) open ground handling activities at airports (iv) complete the blue belt projects.



2.14.3 There is a need for a more efficient use of the existing transport infrastructure, eg by improving interoperability, deploying intelligent transport systems and developing clean and energy efficient vehicles infrastructure. Where do you see from an industry perspective priority areas of action? (maximum 1000 characters)

The Commission needs to be cautious in prematurely determining winning and losing solutions and should instead follow a technology neutral approach, which contributes to technology progress and EU industry competitiveness. Only a technology neutral approach, combined with intelligent systems, harmonised standards, a harmonised taxation policy that does not hinder the competitiveness of European industry, appropriate policy frameworks and consumer education, can enable the market to make the best use of each available mode of transport.

Furthermore, it is important to underline that CO2 emissions/environmental impact should not be the only criteria to govern policy measures and drive technological innovation, and that cost-effectiveness should be a leading principle in all policy decisions. The social, economic and environmental objectives should be jointly considered in an integrated approach.



2.15.1 If you chose "Other", please specify and please explain the importance of the issue, giving examples and evidence. * (maximum 1000 characters)

EU industry accounts for roughly a third of value added in Europe, a third of employment and almost three-quarters of exports. It is vital for the EU economy that this value added remains in Europe. The recent crisis has clearly demonstrated the irreplaceable role of industry, and as has been the case in the past, any recovery will be led by industry. A more competitive Europe is the right answer to a more globalised, competitive world. Industrial Policy should be designed with this underlying principle in mind and should oppose protectionist tendencies. Ensuring a free and open transatlantic market is central to maintaining growth on both sides of the Atlantic and an open global trading system.



2.15.2 How can businesses themselves better respond to these issue? * (maximum 1000 characters)

European competitiveness can only be achieved through a close working partnership between public authorities and business. The business community can bring real value to economic policy-making at both European and national levels. Companies of American parentage stand ready to invest their intellectual resources to help improve European competitiveness. Companies of EU parentage in the United States and companies of US Parentage in the EU employ about 14 million people in the two economies today.



2.15.3 What can policymakers do to address the issue at Member state, local or regional level?



* (maximum 1000 characters)



2.15.4 What can policymakers do to address the issues at EU level? * (maximum 1000 characters)

In implementing the different aspects of the new EU industrial policy, the Commission should ensure that all companies operating in Europe, regardless of their size, origin or geographic location, benefit from the same regulatory and financial measures. This is especially true of government funding which is often a key element of any industrial policy. In order to stay consistent, any aid allocated to companies for R&D funding should be based on the capability of companies or sectors to bring innovative products and processes to the market.

2.16 If you have further comments on this consultation or suggestions please write them in the box below(max 1000 characters). (maximum 1000 characters)

2.17 Do you want to upload a longer written response or background documents? (maximum 300 characters)

3. Publication of contributions

3.1 Please indicate here if you wish your contribution to be anonymous. Unless you specify otherwise, your contribution will be published on the Commission's website together with your identity.



Please make this contribution anonymous

X Please publish this contribution under the name given