

10 for 20: 10-Point Plan of Action to raise the share of industry of GDP to 20%

CECE-CEMA Manifesto for a competitive industrial production in Europe

16 OCTOBER 2013

Strong and competitive industrial production in Europe is essential to create jobs, drive Europe out of recession and keep our common economic area prosperous.

Who are we?

Manufacturing industry can generate the high productivity growth needed to restart smart, inclusive and sustainable growth. The construction equipment and agricultural machinery manufacturers organised in CECE and CEMA run major production facilities and R&D sites in Europe. The equipment manufactured by our members is essential to construct a sustainable future and to feed the world of tomorrow.

Our contribution to achieve EU targets & boost growth in Europe

Thanks to the considerable investment undertaken in both sectors, the construction equipment and agricultural machinery industries have significantly contributed to deliver growth and jobs in the EU. CECE and CEMA strongly welcome the European Commission's commitment to raise the share of industry in Europe from 16% of GDP to 20% of GDP by 2020. We are committed to play an active role in reaching this 20% target and boost growth in Europe in the years ahead.

OUR CALL TO ACTION

As global competition is fierce, industry in Europe needs the right framework to grow. We call on the EU to make industrial competitiveness the centre of EU policymaking and follow a 10-Point Plan of Action to keep competitive industrial production in Europe and reach the 20% target by 2020 by:

DEVISING SMART REGULATION

- ◉ Introduce stronger competitiveness-proofing and fitness checks
- ◉ Ensure more coherent EU policy-making
- ◉ Make sure EU legislation boosts industry's ability to innovate and to remain ahead of competitors
- ◉ Seek greater international policy alignment to avoid technical barriers to trade
- ◉ Reduce the administrative burden of complying with EU legislation

BUILDING A SUITABLE FRAMEWORK FOR KEEPING COMPETITIVE PRODUCTION IN EUROPE

- ◉ Complete the Internal Market
- ◉ Ensure fair competition through better market surveillance
- ◉ Invest massively in infrastructure
- ◉ Deepen partnerships for a skilled workforce
- ◉ Promote free access to foreign markets

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DEVISING SMART REGULATION

1. Introduce stronger competitiveness-proofing and fitness checks

Greater care must be taken to ensure that EU legislation does not undermine the competitiveness of the industry.

2. Ensure more coherent EU policy-making

While EU legislation supports industrial growth in many ways, legislation in certain areas such as energy, climate or resource efficiency has sometimes proved to be contradictory. This has had the effect of providing industry with unclear legal requirements and negatively impacts competitiveness by raising compliance costs. Industry urges the EU to follow a holistic approach when designing new legislation serving different policy goals.

The holistic approach should, whenever possible, cover a whole process and not only focus on specific requirements for a particular machine used in that process. Such a system approach would allow for multiple strategies to reach the overall goal and optimise the cost-benefit-ratio.

3. Ensure EU legislation boosts industry's ability to innovate and to remain ahead of competitors

EU legislation should play a positive role in driving industry in the right direction, in order to ensure sustainable development for society. However, besides legislation, customer demand drives innovations and the development of equipment towards specific goals - as companies have to respond to their customers' needs. For instance, the demand for fuel efficient equipment has led to many CO₂ reducing innovations throughout industry, though the rate of introduction of such innovations can be hampered by other legislation. For example, the recent revision of legislation on exhaust emissions of mobile machines has absorbed around 80% of the industry's R&D budgets, reducing the sector's ability to promote innovation in other areas and enhance customer benefits. Market-driven innovations often work in the same direction as legislation, but can provide solutions with higher efficiency. Market-driven approaches to policy areas such as CO₂ reduction need to be considered as alternatives to legislation.

4. Seek greater international policy alignment to avoid technical barriers to trade

EU legislation should be formulated taking into account international developments in technical legislation and in standardisation. It is crucial to ensure alignment with other countries in order to avoid gaps or to multiply conformity procedures applying to the same products (technical barriers to trade). This also should include efforts to more actively "export" European legislative and standardisation results to countries preparing to introduce similar regulations.

5. Reduce the administrative burden of complying with EU legislation

Compliance with EU legislation needs to be simplified and required administrative burdens need to be reduced in order to strengthen the competitiveness of the whole industry, in particular for SMEs.

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6. Complete the Internal Market

The EU remains a key market for the construction and agricultural machinery industries. Urgent improvements in the functioning of the Internal Market are needed to reinvigorate intra-EU trade and tap its full potential. The remaining gaps in the internal market for products should be urgently filled by 2020.

7. Ensure fair competition through better market surveillance

A framework for effective, uniform and coordinated market surveillance of all products placed on the Internal Market is essential in order to guarantee fair competition in the European Single Market.

8. Invest massively in infrastructure

Europe has a strong competitive advantage compared to other areas in the world which have double digit growth indicators: its very efficient transport, energy and information infrastructures, as well as its easy access to knowledge. To maintain Europe's competitive leadership in this area, this infrastructure needs to be duly financed by EU and national budgets.

9. Deepen partnerships for a skilled workforce

Industry needs higher education networks that are able to educate skilled engineers; connections between company R&D departments and university research centres should be promoted and better financed. In addition, our sectors need highly qualified skilled workers for the shop floor, in the sales and maintenance network - but also on the level of the users of the high-tech products. Vocational training needs to be matching this demand and the mobility of skilled workers should be promoted.

10. Promote free access to foreign markets

The fast-growing emerging economies of the world offer new export opportunities for EU companies, especially SMEs. We welcome the Missions for growth launched by the Commissioner during the last mandate. We believe that even greater efforts of the EU in opening up international markets will help to speed up recovery.

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ABOUT CECE & CEMA

CECE and CEMA members provide key enabling technologies and represent highly innovative industries in Europe that successfully operate in a strong global competition.



The Committee of European Construction Equipment is the recognised organisation representing and promoting the European construction equipment and related industries in order to achieve a fair competitive environment via harmonised standards and regulations. CECE is a European network consisting of a secretariat in Brussels and national association offices in 14 different European countries. The industry behind CECE comprises 1,200 companies. In 2012, these equipment manufacturers had a total turnover of 25 billion € and employed 130,000 people directly. European construction machines represent around 25% of the worldwide production. Manufacturers include large European and multinational companies with production sites in Europe, but the majority of companies are small or medium-sized.

www.cece.eu

European
Agricultural
Machinery

CEMA



CEMA is the European association representing the agricultural machinery industry. For 50 years CEMA has acted as a network of national associations and provides services, advice and a common European industry view on relevant topics. The industry represented by CEMA includes 4,500 manufacturers of agricultural equipment employing directly 135,000 persons and indirectly in the distribution and service network another 125,000 persons. The companies are mainly small and medium-sized manufacturers according to the EU definition and in 2012 had a total turnover of 25.6 billion euro.

www.cema-agri.org