

Industry is a driver for growth, jobs and innovation #EUCO 26-27 June 2014

MEP Paul Rübig, EPP: “We need a binding industry target to balance climate policies”

Turning point for Europe’s competitiveness

Not politicians create jobs, but enterprises. This is why we need to create an attractive business environment in Europe, where firms want to invest and expand. Growth should be promoted through structural reforms, more efficient bureaucracy, easing of the tax burden and by pushing an ambitious reindustrialization strategy.

“Europe has to be the frontrunner in most efficient, most innovative and environmentally friendly technologies. We can achieve this goal only with a strong European Union that is keeping an eye on the key questions regarding industry and energy on the one hand and climate and environmental policies on the other hand. There is no use in having the highest standards for our environment if the companies leave Europe to produce elsewhere under drastically lower standards while the unemployment rates in Europe increase.”

Big challenge: Energy supply and prices

Europe represents 7% of the world population, 25% of the global GDP and 50% of worldwide social contributions.

- 50% of the EU's energy needs are covered by external suppliers,
- 90% of oil, 66% of gas and 42% of solid fuels consumed in the EU are imported,
- EU-27: **500 billion of imports of raw materials including energy products;**
- **Energy prices for European industry are a competitive disadvantage compared to US competitors**– Industrial energy prices in the US are on average significantly lower than in Europe (on av. 1/3 to 1/5),
- In the year 2010 the electricity price in the EU was 215% higher than in the US and 197% higher than in China („Energy 2020 – A strategy for competitive, sustainable and secure energy“, Directorate-General for Energy, S. 4).
- Current geopolitical environment and the EU’s import dependence: It advocates a new European Energy Security Strategy
- Energy prices have risen in nearly every Member State since 2008 – mainly because of taxes and levies, but also due to higher network costs. (EC Study on Energy Prices)
- According to the IEA, energy prices in Europe rose by 38% between 2005 and 2012, whereas in the USA they fell by 4% over the same period;

Need for an Industrial Renaissance and competitive energy prices now

- Three Goals - security of supply, sustainability and competitiveness,
- EU energy prices have to become significantly more competitive,
- EU sets realistic and achievable climate change targets,
- Need for a Re-industrialisation Goal of 20% in a legislative Proposal.

During the next five years, the EU must effectively resolve the challenge of high energy prices, especially for energy intensive industries like the steel Industry. The cost of energy must be brought back in line with our major competitors like the United States. Supply security must become less of a concern and the EU energy market must become more interconnected, to balance production and consumption of energy and encourage competition.

"We need a climate target as part of a global framework to address climate change, and without undermining European competitiveness. The European Union cannot be a lone front runner. It must take account of the results of international climate negotiations to set the right level for its greenhouse gas emissions reduction ambitions."

Countries with a strong industry are the most stable ones in times of economic crisis. The importance of a strong manufacturing basis should be undisputed.

"As a result, a key priority for the next European Commission is to make the European economy more competitive and to create high quality jobs for our citizens by raising the share of industry in GDP by 20% till 2020. Traditional Industries, such as the steel industry play an important role in maintaining the European value chain and should therefore gain higher importance in policy making!"

What we want for the future

We want to create economic growth and new jobs by investing in research, innovation and education. We therefore envision a better framework for the economy with less bureaucracy and less administrative burden for firms.

"We need to make sure that the highest standards for employees and environment are not undermining Europe's competitiveness. Industrial and environmental policies should not be designed to work against each other but rather together."

"Our goals are therefore to strengthen businesses in Europe, to invest in education, research and innovation and to keep energy prices at an affordable level. These key areas are essential in creating long term and well-paid jobs in Europe."