

**ELECTRA: Challenges
and Opportunities for
the EU Engineering
Industry**

**INTERNATIONAL
WORKSHOP
ELECTRA 2020:
MANUFACTURING FOR
CLIMATE AND CLIMATE
FOR MANUFACTURING
Vilnius, Lithuania
13 May 2010**

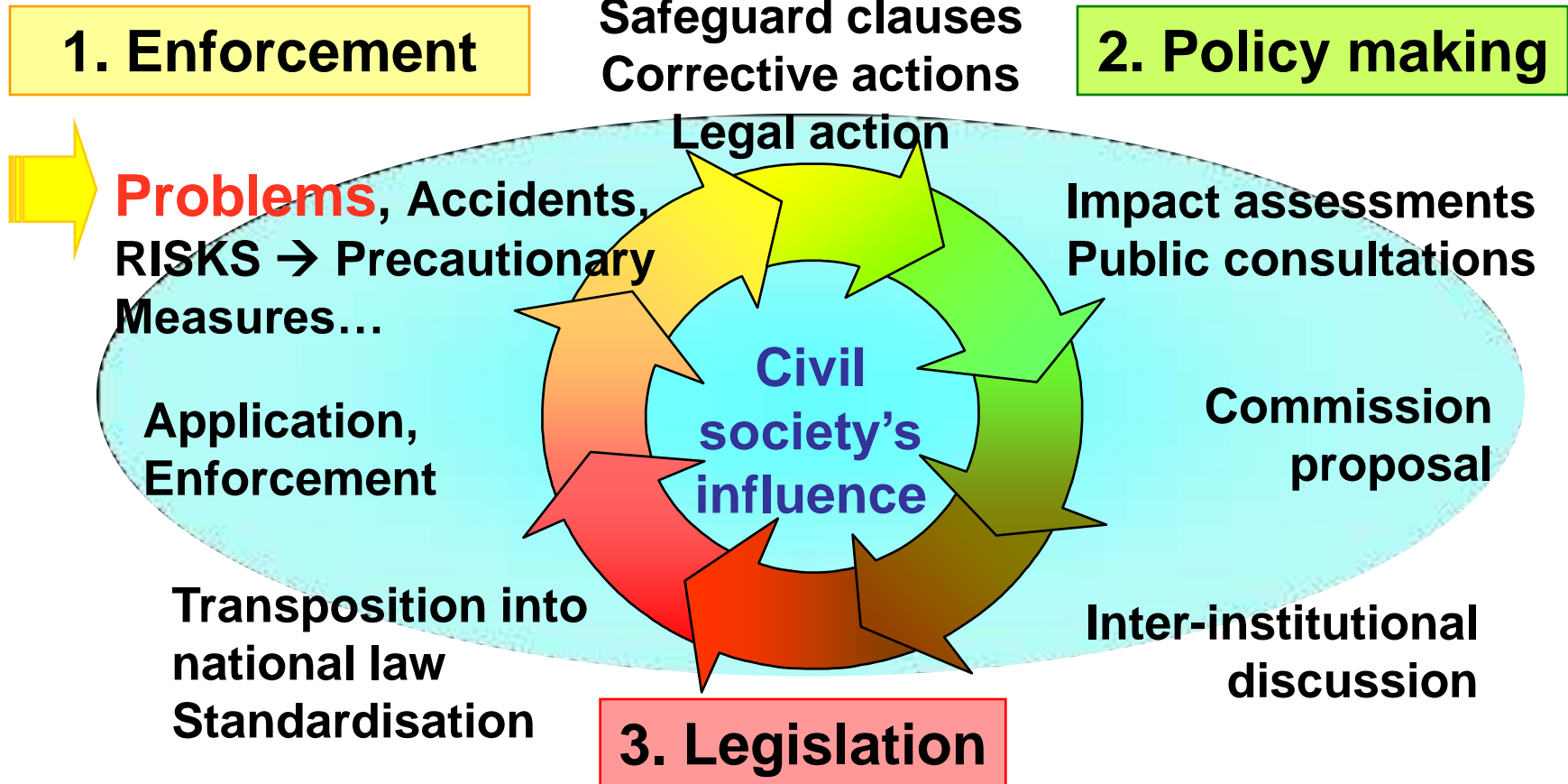


PRESENTATION OUTLINE

- **Why did the European engineering industries launch ELECTRA?**
- **ELECTRA: developing a regulatory framework which ensures opening of markets**
- **ELECTRA after ELECTRA: implementation and follow-up**

The EU policy making today

*It often starts with problems
Rarely with a vision...*



(Co-)Decision EP / Council

ELECTRA: A VISION

- Because we believe that the challenges and opportunities for our industry concern and involve all partners
 - Companies and their industry associations
 - Trade unions (EMF)
 - Public authorities (especially European Commission)
 - Standardisation bodies (CENELEC)
- Electra report team under Chairmanship of Vice President of European Commission and President of Orgalime

ELECTRA: A VISION

- Because we believe that “Manufacturing matters”
 - Orgalime’s manifesto launched in November 2009 and our motto for 2010
 - Engineering industries as enabling industries are both
 - Major purchasers of products of the primary transformation industry
 - Major suppliers to all sectors of the economy (energy, primary transformation, transport, agro-industry, processing industries)
 - Common call by 11 industry sectors “Shifting gears for a new EU industrial partnership”

33 Member Associations
In 22 European Countries
130 000 Companies, 90% SMEs
€1427 Bn Output 2009
 (EU-27 estimates)
10.6 Million Employees



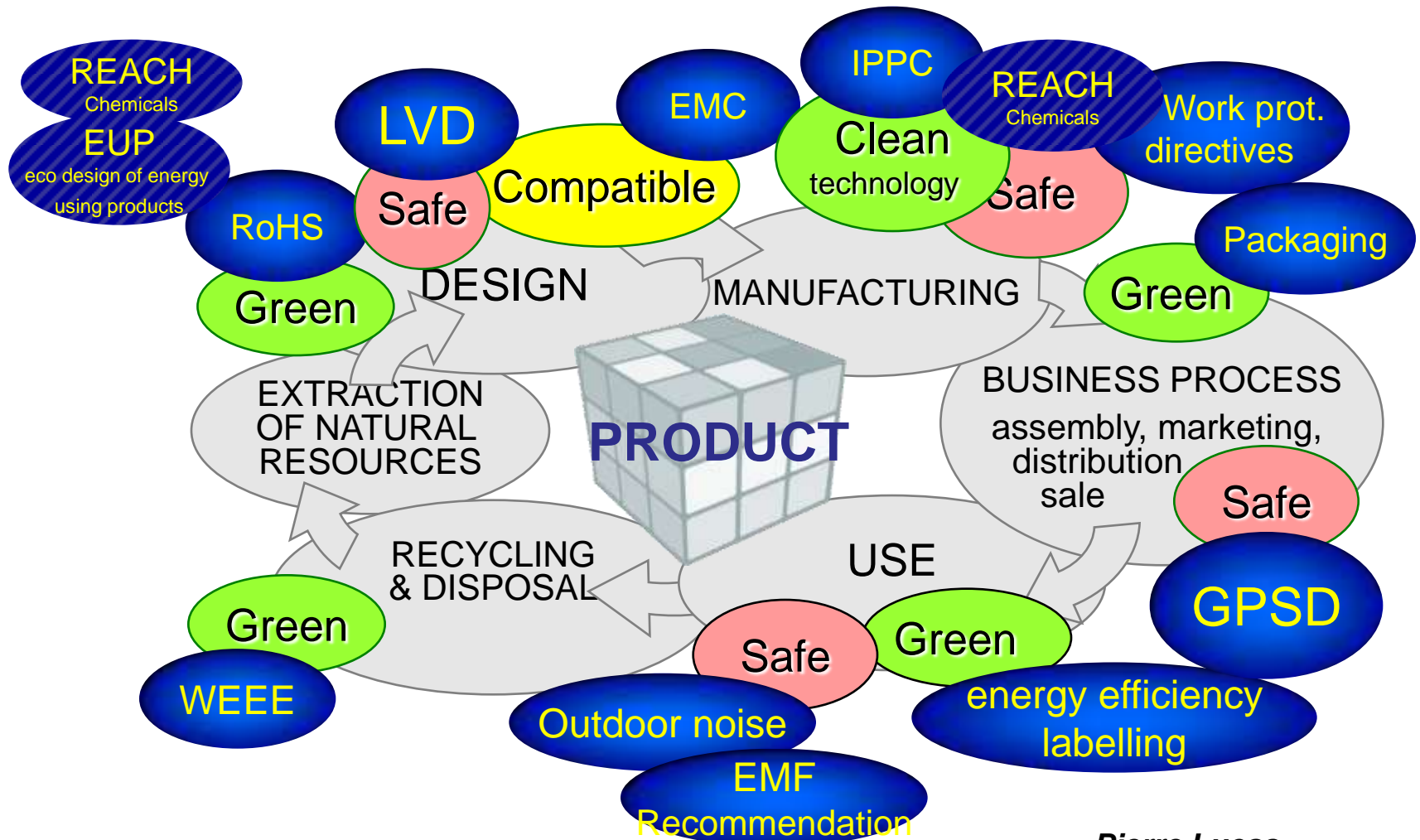
ELECTRA: A VISION

- **Because we believe that “We can do it”**
 - Main outcome of Electra report: we do not have to choose between economic growth and sustainability: the EU 20/20/20 objectives can become a driving force for the competitiveness of the electrical and electronic industry and, moreover, cannot be achieved without the technologies which this industry develops
 - Energy efficiency is the easiest of the three 20% objectives to reach
 - Electricity supply side (power generation, transmission and distribution systems – smart grid)

ELECTRA: A VISION

- **Because we believe that “We can do it”**
 - Electricity demand side: positive energy buildings and homes, building and housing management systems, high performance electric motors, industrial processes, energy efficient lighting or appliances, transport, traffic management and control systems
 - All these products and solutions are manufactured in Europe and could “boom”

THE "REGULATORY FACTORY"



ELECTRA: CHAPTER 4

Opening the internal and exports markets of the European electrical engineering industries:

A) Creating the framework conditions in the Internal Market:

- Simplify administrative environment for SMEs (including for access to public procurement)
- Improve attractiveness of engineering studies and industry, accelerate transfer of know-how from research institutions to business, support entrepreneurship mindset)
- Stimulate investments (public procurement, access to venture capital, strengthen the capital markets)
- Mobilise the infrastructure markets through their further liberalisation and by making infrastructures compatible
- Tackling the numerous regulatory issues (Better regulation and market surveillance, tax incentives for R&D, consistency of legislation, improvement of the EU patent system)

ELECTRA: CHAPTER 4

Opening the internal and exports markets of the European electrical engineering industries:

- B) Challenges faced by the European electrical engineering industries in exports markets
- Protection of Intellectual Property Rights and fight against counterfeiting
 - Completion of the WTO Doha Round and request for ambitious Free Trade Agreements (particularly with India)
 - Analysis of main regulatory obstacles in each major export market
 - In Europe: Russia and EU neighbourhood countries
 - In Asia: China, Japan, South Korea, India
 - In America: USA and Mercosur countries

ELECTRA AFTER ELECTRA

- **“Many of the reports developed by industry and with the institutions tend to be forgotten soon after they are issued. This has clearly not been the fate with Electra which has seen considerable follow up over the past year in a number of ways”**

Orgalime Annual Report 2009/2010

POLICY FOLLOW-UP

Conclusions of the Competitiveness Council (19 May 2009):

Ministers

- Acknowledged the fact that the electrical and electronic industry has a high growth potential and is an enabling industry providing energy-saving solutions
- Acknowledged the fact that innovation and investment in R&D are crucial to the long-term competitiveness of the sector
- Took over a number of the Electra report recommendations, e.g. on
 - Legislation simplification and reduction of administrative burden
 - Increase of public investment on R&D
- Invited the Commission to report back in 2012 on the implementation of the Electra recommendations

POLICY FOLLOW-UP

Commission Communication of 29 October 2009 “Electra: for a competitive and sustainable electrical engineering industry in the European Union”

- Sketches out the short and long term growth potential of the electrical engineering industry in growth markets such as energy supply infrastructure, energy-efficient buildings, transport networks, industrial production and technology for societal needs
- Analyses the challenges posed to the industry and the ways to turn them into opportunities
 - Encouragement to research, development and innovation (access to capital, development and protection of IPR, technology transfer)
 - Need to supply and maintain skills, to encourage mobility and to admit highly qualified specialists from around the world to enter the EU market
 - Proposal to target energy efficiency and focus on technologies that can achieve the 20% target (power supply, industrial applications, buildings)
 - Encouragement to standardisation to integrate energy-efficiency criteria
 - Definition of specific actions to be undertaken by the relevant actors (including the utilities)

POLICY FOLLOW-UP

A new EU industrial policy

- Europe 2020: smart growth, sustainable growth, inclusive growth (replaces the Lisbon Strategy)
 - Seven flagship initiatives, of which “an industrial policy for the globalisation era” improving the overall business environment and to support a strong and sustainable industrial base able to compete globally, completed by the flagship initiative “resource efficient Europe”, aiming at decoupling economic growth from the use of resources, notably by promoting energy efficiency
- Commission work programme for 2010 includes the launch of these flagship initiatives, with focus on decarbonisation of the energy sector or priorities for electricity grid interconnections; ORGALIME part of consultation process within DG ENTR of the European Commission
- Competitiveness Council conclusions of 1 March 2010 on the need for a new industrial policy

- European Recovery Package: € 5 billion for investment in infrastructures (notably in energy and broadband)
- Electric vehicles: a European strategy on clean and energy efficient vehicles, with two tracks
 - Promoting clean and energy efficient vehicles based on conventional internal combustion engines
 - Facilitating the deployment of breakthrough technologies in ultra-low carbon vehicles (including electric cars: safety, standardisation, infrastructures and consequences on the grid, batteries)
- Smart grids: set up of a Commission task force in November 2009, with three focus points
 - Functionalities for smart grids and smart meters
 - Regulatory recommendations for data safety, data handling and data protection
 - Roles and responsibilities of actors involved with smart grids deployment

REGULATORY FRAMEWORK

- **Completion of the Internal Market**
 - Adoption of the third energy package, including a further step in the liberalisation of the electricity (and gas) markets
 - Entry into force of the services directive, facilitating companies to provide their services (across the borders or by settling down) throughout the EU (one-stop-shop)
 - Entry into force of the new legislative framework, aiming at modernising the legislation on free circulation of goods
 - Essential requirements
 - Conformity assessment procedure
 - Market surveillance
- **Recast of the directive on energy performance of buildings**

MUCH REMAINS TO BE DONE

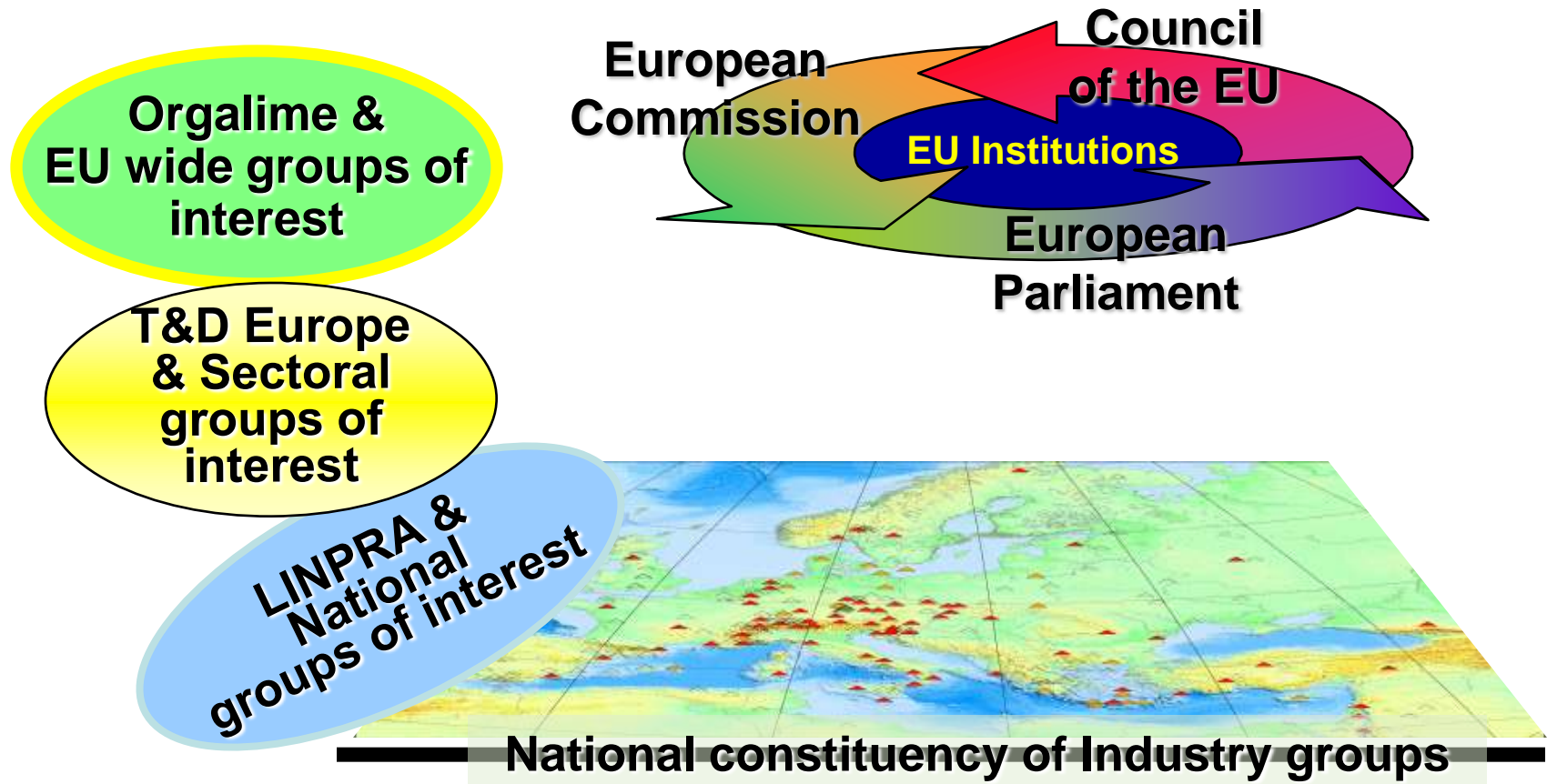
- **Smart legislation**
 - **Better consistency**
 - **Scientific based policies and impact assessment**
 - **Clear policy objectives, sufficient flexibility and realistic implementation timetables**
 - **Support industry initiatives and encouragement to take up available sustainable technologies**
 - **Securing proper functioning of Internal Market**
- **Boost R&D (more and easier access): development of the SET Plan**
- **Massively encourage investment**
- **Review the Energy Efficiency Action Plan**

MUCH REMAINS TO BE DONE

The role and the action of national associations

- Workshops to inform and raise awareness of Electra
 - Sofia April 2009
 - Ljubljana October 2009 “Using Technologies and Innovation for Growth of New Markets”
 - Vilnius May 2010
- French association proposals for the “Grand Emprunt” (Government Loan)
 - Energy efficiency of buildings
 - Modern and Intelligent Electricity infrastructure
 - Green transport infrastructure and vehicles
- A single voice, singing the same song in every European language with melodies adapted to every stakeholder’s specific ear

THE EU DECISION-MAKING PROCESS



**Thank you for your
attention. More at:**

[http://ec.europa.eu/enterprise/
electr_equipment/electra.htm](http://ec.europa.eu/enterprise/electr_equipment/electra.htm)

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