

The Single Market is crucial for driving Sustainable Growth in Europe

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This is a summarized version of my speech at the European Parliament Kangaroo Group lunch, 17 September 2014

- Europe has phenomenal potential, it is still the richest market in the world, but resource scarcity and climate change, sluggish recovery from the economic crisis, high youth unemployment, and decreasing disposable income, requires that we change the way we are doing business
- It is Unilever's vision to develop new ways of doing business that will allow us to double the size of the company, whilst reducing our environmental footprint and increasing our positive social impact. We have an interest in bringing Europe's potential out, driving a more sustainable future and creating jobs and GDP growth along the way. Unilever is a European company, based on European values. We have been around for 130+ years, improving nutrition and making hygiene commonplace through well known brands such as Lipton, Becel, Dove and Sun. We employ 22.000 people in Europe, we own 61 factories and 3 major R&D facilities with over 2000 scientists, who are working with 78 universities on over 200 research projects. We estimate that for every job we create, 22 jobs are created with suppliers. We invest in Europe and want to continue to invest in Europe.
- That's why we kicked-off the "Unilever Competitiveness Study" to identify what we see as the main opportunities that allow us to continue to grow sustainably in Europe. For this study we interviewed 30 senior managers in Unilever Europe and asked them how the EU supports them in achieving their priorities, and where changes are required. Today I would like to share with you some of the key outcomes of this study.
- One of the key outcomes of the Unilever Competitiveness Study was the criticality of a well functioning Single market for goods in driving sustainable growth in Europe. The Single market is a means to an end! It provides us with a single passport to the largest market in the world, allowing our business to scale up its activities and free up funding for investment in innovation for a more sustainable future, such as Flora cholesterol lowering margarine and Dove/Rexona compact deodorants. Innovation and sustainability supports Unilever to continue to grow in a highly competitive marketplace, and innovation and sustainability is what will drive growth in Europe.
- I was pleased to read the study by the Secretariat General of the European Parliament on the "costs of non-Europe", that estimates that removing the existing barriers in the Single market could add an impressive 2,2% to the EU GDP in the coming ten years.

- Unilever can echo these outcomes. We are still confronted with the costs of non-Europe either as a result of lack of European rules, lack of implementation or inconsistent enforcement. Even when the free flow of goods is at the cradle of European integration, please do not consider the single market for goods as finished. Since the end of the first decade of this millennium, intra community trade is showing a downward trend. So there is work to be done.
- For example lack of common standards on allergen labeling, different interpretations on the classification of detergents under the detergents regulation, and unilateral Member State bans on the use of certain types of food packaging material that were approved at EU level all lead to avoidable costs for business. These might seem rather technical examples but in a common EU framework, divergences across member states create consumer confusion and in the case of allergens you risk patient confusion. For Unilever it means stocking different packaging formats in factories for the same products, less efficient stock control, and more complex logistics. In times when we are looking to reduce packaging waste and trucks on the road, this is counterproductive.
- The Single market helps companies to scale up innovations. Unilever has set itself the target under USLP to reduce salt levels, saturated fat, sugar and calories to improve the nutritional quality of our portfolio by 2020. By 2013 31% of our portfolio met highest nutritional standards, based on globally recognized dietary guidelines. Now in order for this to have an effect on public health you need a tasty product through innovation and you need to inform the consumer in an engaging way for them to choose the product. This is why we need one single interpretation across MS of the allowed health claims on products. This is unfortunately not the case despite the nutrition and health claims regulation.
- The Single market is a key driver to scale up sustainability. The Unilever sustainable living plan is built on the premises that small changes to the products you and I use every day, have a big impact when multiplied by 500 million European consumers. For example, we have committed to halve the waste associated with the disposal of our products by 2020. In 2013 we managed to reduce the waste impact per consumer use with 7% and achieved a 66% reduction in waste disposal per tonne of production. We welcome the European Commission's circular economy package that was published in July because it will drive resource efficiency at a macro level, supporting businesses to accelerate their transition to resource efficiency business practices and bring the necessary upscaling beyond the direct remit of a companies' supply chain. A Single market waste and recycled material will be a key driver for this. Our recent product innovation of compressed Dove and Rexona deodorants allows us to fit 150ml deodorant in a 75ml bottle. This helps save 25% in aluminium packaging. If one million people would start to use compressed deodorants, this would save enough aluminium to build 20,000 bicycles. We would never be able to reach this scale when we would allow member states to set their own eco-design criteria on packaging.

- So what needs to be done by the EU institutions in the coming legislature and what specific role for the European Parliament in ensuring the completion and more consistent enforcement of the Single market? We need to identify the key existing gaps in Community legislation and fix them. Civil society knows perfectly well where the gaps are, it's a matter of acting upon them. Could the European Parliament start listing these gaps in its annual Single Market report? The fitness checks of existing legislation, the REFIT exercise, by the European Commission offers the right platform to address hindrances of existing legislation, but, the process needs to be opened up for stakeholder input in order for the most pressing hindrances to the single market to be identified and resolved.
- What is very important is that we need to consider "easy" procedure for solving Single market hindrances. Often market hindrances are the result of differences in interpretation that neither require, nor justify, going to the European Court of Justice. How can we make SOLVIT more accessible and resourced for business?
- Furthermore Member States should refrain from taking unilateral action when there is a European framework, and the Commission should act when unilateral actions are taken despite. Could the European Parliament push in its next Single Market report for a Single Market test for new national legislation, as was proposed by the European Parliament in its resolution on the governance of the Single Market? In addition the European Parliament should push for the introduction of an ex post impact assessment to assess whether EU legislation will actually drive or undermine the single market?
- I have good hope that the Vice-President designate for Better Regulation and the Commissioner designate for the Single market will pick up these points as a matter of urgency.
- I would like to finish by reiterating my plea that the single market for goods is not finalized! We need to see the single market as a key enabler to drive innovation and sustainable growth in Europe.
- Thank you very much for your attention. I look forward to our discussion.