

Fairplay in the EU?



One out of three construction equipment companies loses money because of unfair competition and a half of them see illegal machines on construction worksites.

WITH THE ROLAND GARROS tennis competition taking place in Paris, the concept of "fair play" is becoming increasingly familiar as it is heard more and more on the mass media.

Fair play should mean that all the participants (competitors in our case) play by exactly the same set of rules.

On the contrary, in its daily business, the European construction equipment sector is facing a major problem and economic disadvantage when it comes to "competition" in the EU.

Franco Invernizzi, marketing director of CNH Italy, said, "Indeed, our company is part of an industry that is a major engine for competitiveness, innovation, growth and jobs in the European Union. We have been hit by the crisis like nobody else, and had a drop in the turnover of over 40%.

"We have been active in CECE to discuss with the European authorities how this can be improved. We have been told this is the responsibility of member states, of the national government.

"Hence, now all we ask of the authorities is to ensure a fair level of competition, which can only be possible if legislation on market surveillance is really implemented," said Mr Invernizzi.

SIZE OF PROBLEM

The industry has claimed for some years now that there is no level playing field in Europe. But now there are figures to understand the size of the problem.

Thomas Lyckvall, CECE trade policy committee chairman, said, "That was exactly what we wanted to clarify some months ago. Hence, we decided to conduct a survey among manufacturers, dealers and rental companies to understand this."

He continued, "Unfortunately, the results showed exactly what we suspected – 52% of participants saw this problem as a source of concern which is starting to affect their business, and one out of three interviewed companies faced losses in sales because customers opted for a non-compliant machine instead of their products.

"Can you imagine what this can mean from a small sized enterprise such as ours?

"You are working so hard to innovate, stay competitive, respect the environmental requirements coming from the legislation, working on how to reduce emissions – and then some polluting and illegal products are preferred by our usual customers as they are cheaper!" he said.

NO LONGER

The industry is, at this point, talking about facts and figures, and believes Europe can no longer afford to leave its industry losing competitiveness because of unfair competition like this.

CECE vice president Johann Sailer, spoke on this subject recently at the Samoter 2011 show, held in Verona, Italy.

He said, "Market surveillance must play a crucial role to maintain fair competition, keep Europe as a strategic manufacturing location and ensure the effectiveness of the rules that protect health and safety of workers and the environment."

In fact, although the EU has equipped itself with a legislative framework aimed at enhancing market surveillance in Europe (inter alia Regulation 765/2008/EC), industry says that capital goods are not as much under customs and market surveillance authorities as they should be.

Member States seem to continue focusing on consumer goods,

where the possible effects of non-compliance can be dangerous for the health of citizens and would immediately gain some visibility in the press

"We share, of course, such concerns and do not say these products must be dismissed," said Mr Sailer, "but we cannot go along a dangerous road which might cause our capital goods industry to disappear from Europe in the long term.

"We cannot continue applying all the mandatory legislation in Europe (and, therefore, be more expensive), without being sure that everybody is subjected to the same rules," he added.

ACTIVE ROLE

The industry has been committed for a long time to playing an active role, and has taken numerous initiatives to provide competent authorities with technical assistance.

For example, the CECE guides for identification of non-compliant machines which can be viewed at www.cece-eu.org/publicationsDetail.php?id=455&mem=0.

This has been CECE's position for a long time now – to open up the discussion with the authorities at national and European level.

All members of CECE have been discussing with their national authorities, banks, insurers to find synergies and tackle the problem together.

Mr Invernizzi said, "We are also ready to go and train the authorities and customs, as we understand our machines are too complex to be easily checked in detail."

He added, "We firmly believe it is by working hand in hand that Member States, European institutions and industry can ensure a common respect for the rules."

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