

**CBI consultation response:**

**European Commission Communication: *A Sustainable Future for Transport: Towards an integrated, technology-led and user friendly system.***

This CBI is the UK's leading business organisation, campaigning for a competitive policy landscape for companies in the UK, the EU and on the wider international stage. The CBI speaks for some 240,000 businesses that together employ around 1/3 of the private sector workforce. With offices across the UK as well as in Brussels, Washington and Beijing, the CBI coordinates British business representation around the world.

**Overview**

- The CBI welcomes the Commission's decision to focus on how it can aid the successful development of European transport networks over the coming decades. Efficient and reliable transport networks are essential for competitive modern economies. They enable firms to both access the materials and labour they require, and meet the needs of their customers in the most cost efficient manner. Transport networks are also essential for facilitating both intra-EU and extra-EU trade, which enables firms to access materials and services from a wider variety of suppliers, along with opening up opportunities for greater economies of scale through serving new markets for their goods and services.
- An improved European transport network will be an important driver for reducing greenhouse gas emissions. A high-quality transport system is essential to Europe's competitiveness and growth.

The Communication discusses the trends and challenges for transport policy over the coming decades, which is then followed by an outline of the policy objectives and policies that it is minded to adopt to inform its response to them. The CBI would make the following points on each of these sections:

**Trends and Challenges**

- The Communication is comprehensive in identifying the demographic and environmental challenges facing the EU over the coming decades. The discussion of trends in globalisation and increased trade is however brief, and fails to show due appreciation about how important efficient transport networks and nodes will be for supporting the long-term development of the EU. Notwithstanding a decline in trade volumes over the past year, there has been a strong growth in visible EU trade, with intra-EU visible trade increasing by 34%, and extra-EU visible trade increasing by 43% between 2005 and 2008 respectively.



- A future challenge should include the need to avoid transport congestion and inefficiencies arising from increased trade from undermining the competitiveness of the EU. Transport congestion cannot become a constraint on economic growth.

#### Policy Objectives

- The policy objectives identified by the Communication are laudable. In many ways they reflect work undertaken by the UK Government and stakeholders for the development of a future transport strategy (see: Delivering a Sustainable Transport Strategy (UK Department for Transport, November 2008)).
- The CBI would however argue that the principal objective of transport policy must be to maximise economic competitiveness and growth within a policy framework that will deliver sustainable outcomes. It may seem obvious, but transport strategies or projects that deliver a net decrease in GDP across a region or an economy are unlikely to be viable.
- Transport policy and investment options should be developed using a range of policy objectives, (such as those identified in the Communication) to maximise economic competitiveness and growth. However the Commission should be realistic and understand that in the real world the benefits that transport strategies and projects will deliver vary across policy objectives. There will always be a need for informed flexibility to balance competing objectives to enable transport developments to proceed.

#### Policies

- The CBI supports the Communications' emphasis on supporting integrated networks, and providing a level regulatory playing field for private sector investors. Overall the CBI would welcome greater private sector involvement in the provision of future transport services, but it will be important for a clear framework to be in place to create market certainty for potential investors.

**END**

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