

## I. The European Cultural and Creative Industry Alliance

The European Cultural and Creative Industries Alliance (ECCIA) is composed of the five major European luxury goods and creative industries organizations: Circulo Fortuny (Spain), Comité Colbert (France), Fondazione Altagamma (Italy) and Walpole British Luxury (UK) and Meisterkreis - Deutsches Forum für Luxus (Germany).

The worldwide luxury market is valued at €600 billion, with European brands accounting for about €450 billion of the worldwide market. Of the leading 25 worldwide luxury companies, 17 are from the European Union. The personal luxury goods market remains a key driver of growth for Europe, with 170 companies accounting for almost €30 billion in revenues, and employing in excess of 1 million people directly and indirectly in Europe – while more than 70% of the luxury goods produced in Europe are exported outside the region; the European luxury goods sector continues to design and manufacture in Europe.

The sector continues to outperform the wider European economy, growing at 13% between 2009 and 2010 and 10% between 2010 and 2011. This strong performance is expected to continue in the medium term with conservative forecasts of growth of 6%-7% per year to 2014. The luxury sector is also a strong driver of tourism, with Europe the number one destination for luxury tourism. We believe the high-end segment of European watches & jewellery, fashion, perfumes & cosmetics, hotels, gastronomy, entertainment & night life, leisure & lifestyle, retailing, accessories, leather goods, furniture & furnishing, design household equipment, cars & yachts, publishing, art & antiques and wines & spirit, have in the past years truly formed the flagship of the European economy.

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ECCIA members have established European leadership on global markets, building their success on European culture and heritage in designing and creating products while adhering to the highest standards in European manufacturing.

Based on art, culture and creativity, the business model of ECCIA members is underpinned by continuous innovation, a relentless focus on quality, highly skilled employment and strong export abroad. Our members strive for the highest quality in all they do, from products and services all the way to the experience offered to consumers.

Due to the specificity of the high-end cultural and creative sector, also the challenges are different from sector that is traditionally split across product categories. The ECCIA membership shows that there the basic thrust of making a beautiful bag is the same as making a beautiful yacht - it is the creativity and innovation that our members use to leverage traditional European strengths.

The success of our brands springs from the work of our highly - skilled artists, designers, scientists, artisans and managers. Our workshops, wineries, distilleries and stores bring art, culture and inspiration to Europe's cities and regions, contributing to their economic lifeblood. They preserve and renew artisanal skills and activities as well as Europe's artistic and cultural heritage, which we help making accessible to the greatest number of people.

The European luxury sector is hence a key driver of sustainable growth and is of particular significance to Europe by contributing to its overall economic health, competitiveness, creativity, innovation, employment and export.

## **II. Setting the right framework conditions for growth**

In order to continue our growth successfully and increase consumer protection and trust, we believe that a number of critical issues need urgent attention from European policy makers.

### **1. Increase consumer trust to encourage online growth and innovation**

Over the last years, 7 key principles have emerged which would create transparency and certainty for consumers and businesses when operating online and would allow the digital environment to grow more sustainably:

- Apply same regulatory principles offline & online;
- Apply the principle of Duty of Care for Online Service Providers;

- Exclude Online Service Providers that are actively involved in the commercial transactions of third parties from safe harbour protection and ensure that commercial activities imply identity disclosure;
- Clarify scope of injunctions to include pro-active measures against repeat infringers and an obligation to prevent similar infringements in the future;
- Introduce EU harmonisation of compulsory notice-and-takedown procedures;
- Prevent abuse of brands' reputation by outlawing the un-authorized keyword advertising with registered trademarks;
- Apply the principle of Duty of Care online in order to protect consumers against Unfair Commercial Practices.

**2. Support European growth-driving industries:** further foster the specificity of the luxury sector.

We believe EU policy should support contributions to the sustainable growth of the European economy and recognise sectors that have established European leadership on global markets, building their success on European culture and heritage in designing and creating products, while adhering to the highest standards in European manufacturing. In particular, ECCIA believes that EU policy makers should:

- Recognise the **intrinsic value of Intellectual Property** for society at large;
- Safeguard consumer protection and brand values by recognising **the benefits of selective distribution** in both sales and after-sales markets, online and offline;
- Recognise the **cultural value of products** in policy making.

**3. Support employment:** encourage European artisanship and craftsmanship.

To respond to the increasing demand for craft products designed in Europe and to close the gap between education and skills needed in employment, it is essential to encourage European artisanship and craftsmanship. The European Commission should hence **support the preservation of artisanship and craftsmanship in Europe** in its upcoming Communication 'Towards a job-rich recovery', as part of the implementation of the 'Agenda for new skills and jobs' by:

- Putting in place the right initiatives to support these aims, including apprenticeship programmes for artisans and craftspeople;
- Further supporting the coordination among Design and Fashion Universities;

- Encouraging partnerships between public institutions and private business for the development of curricula oriented towards the needs of the job market.

**4. Support the export of European products:** foster suitable trade platforms.

Exporting our brands is not only exporting products – we believe our brands are ambassadors of European values.

By exporting European products that are based on highest standards in every aspect, we spread the messages for core European values. However, our work is jeopardized by protective practices of third countries that seek to control trade flows in mass market goods. These impediments include not only high and discriminatory tariffs, layered taxation, and local duties, but also a number of technical trade barriers, such as complicated import license procedures and product registration rules. To address this, we believe the European Commission should:

- Take the specificity of the luxury sector into account in trade negotiations - the excellence that is unique to our values does not generally face local competition in our export markets;
- Strive for trade liberalisation with Free Trade Agreements and enhance visa facilitation to boost third country tourism in Europe.