



Lobbying in Brussels

How much do the top 50 companies in the EU spend?

REPORT | FRIENDS OF THE EARTH EUROPE



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Friends of the Earth Europe

Friends of the Earth Europe campaigns for sustainable and just societies and for the protection of the environment, unites more than 30 national organisations with thousands of local groups and is part of the world's largest grassroots environmental network, Friends of the Earth International.



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Executive Summary

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The influence of Europe's largest companies on EU policy-making is still underestimated. Although public awareness of lobbying by big business is growing, the influence of the largest European companies on shaping policy is less widely recognised. Most European citizens tend to have a very vague picture of how companies lobby in Europe, rarely associating lobbying by an industry-sector with a specific company or name. This lack of clarity makes it even easier for companies to hide behind public affairs consultancies and professional organisations, so as to avoid disclosing their own lobbying, preferring to keep their activities in the dark. This is partly a result of the very nature of the lobby register launched by the European Commission¹ in 2008.



The register is voluntary and its disclosure requirements are very weak: organisations are not compelled to disclose the names of individual lobbyists, nor the specific dossiers being lobbied on. Financial requirements are very broadly defined, easily allowing for mis- and under-reporting. Most of the time, the information available relates to the previous year (or even the year before). Companies and organisations are asked to update their entries just once a year, resulting in inconsistent and unreliable data.

An analysis of the lobbying activities and register entries of Europe's top 50 companies highlights both their secretive practices and the overall weakness of the EU lobby register. It shows that the voluntary approach, which has been favoured by the European Commission, cannot ensure proper transparency around lobbying in the EU. Too many European companies are choosing not to register. At the same time, several of the same companies hold access passes to the European Parliament – clearly revealing that they are involved in lobbying activities and highlighting the failings of the Commission's register. Cross-checking entries for companies in the EU and the US registers reveals that more EU-based companies are registered overseas than in Europe. Comparing the registrations of the companies that are signed up to both registers reveals significant discrepancies between the EU and the US figures, further illustrating how a mandatory approach is an absolute prerequisite for genuine transparency.

The study sheds light on specific loopholes in the EU register which are not addressed – and could potentially be seen as encouraged – by the loose voluntary nature of the system. Comparisons within industry sectors, parallels with other types of organisations such as NGOs and comparisons with the entries made by the same companies in the US all show how the public cannot get a realistic picture of lobbying in the EU from the information disclosed in the EU register. The absence of any entry at all for some key companies is equally telling. EU companies fail to provide up to date information on their lobbying activities. And the overall picture gives the public a misleading impression that lobbying of large companies is much smaller than it is in reality. Specific case studies are used throughout the research to illustrate the argument. Overall the study emphasises the urgent need to overhaul the EU lobby registration system if lobbying transparency is to be taken seriously.

Key figures from the analysis:

- 20 out of the 50 largest European companies (40%) are absent from the EU register.
- Some companies with a strong presence in Brussels, such as Vodafone, E.ON, Nestle, Deutsche Bank and Barclays have not declared any lobbying expenditure.
- Of the top 50, more companies are registered overseas than in Europe (30 in the USA, 29 in the EU).
- 13 out of the 21 European companies, which are signed up to both the EU and the US registers, declare a bigger lobbying budget in the US than in the EU.
- BP declares that its lobby expenditure is 17 times higher in the US than in the EU. Shell's expenditure is five times greater in the USA and Siemens spends more than six times as much.
- Big multinational companies such as Shell, BP, Arcelor Mittal, EADS and Peugeot declare far lower lobbying budgets than much less visible NGOs such as Eurogroup for Animals and Friends of the Countryside.
- Most of the financial information in the database is old, referring to 2008. It does not make it possible to assess a company's current lobbying activities. Information on 'who is lobbying in the first quarter of 2010' will only be available in mid 2011 at the earliest.
- In 2008, only three out of the 50 companies reported spending more than a million euro on lobbying in the EU, compared to 10 companies in the USA.
- Only five of the 50 companies reported budgets of between 500,000 and a million euro in the EU, compared to seven companies in the USA.
- The oil industry is a remarkable example of the law of decreasing lobbying: the bigger the oil company, the less it appears to spend on lobbying. Shell and BP are at the bottom while Statoil and ENI declare spending the most.
- According to their entries in the register, European Banks are mainly lobbying in the USA. The lobbying budgets of European banks and insurance companies add up to between 2,450,000 and 2,750,000 euro in the EU and to 18,487,000 euro in the USA.

¹ The European Commission register is referred to as the EU register in the study.

Introduction

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This research was born out of Friends of the Earth Europe's assessment of the European Union (EU) register of interest representatives just over a year after it was launched.

We had observed that many of the biggest European companies in the register appeared to be declaring very low – if not unrealistic – lobbying budgets, especially given their profile within their own industry sector, their overall presence in Brussels circles, and in many cases, their lobbying expenditure in the USA. On the other hand, a large number of companies were still nowhere to be found in the EU register. Our analysis supports the argument that in its current form the European Commission's register is failing in its ambition to provide reliable and transparent information about lobbying activities in the European Union.

Rationale: The entries of the 50 largest EU-based companies in the EU register were analysed for 2008². The underlying aim was to assess the argument put forward by many EU decision-makers, particularly those in the Commission, that the EU does not need a mandatory register for interest representatives (lobbyists). In some cases, the US register was used as a benchmark to assess the EU entries. The US register is not only mandatory, but it also has far more detailed disclosure requirements, has to be updated more frequently, and provides more search functions than its

European equivalent. Of course the EU and the US activities of EU-based companies may differ in several ways. But comparing a company's precise reporting in the US register to the vague entries provided in the EU is instructive. Indeed, this perspective, put alongside the list of top spenders in the EU register reveals the discrepancies, the partial registrations and the other questionable figures in the EU register. The EU and to 18,487,000 euro in the USA.

Method: This research is based on a comparison of the lobbying expenses for the top 50 EU-based companies, using the respective data available in the EU and US registers for 2008³. The EU figures refer to the entries given in the EU register⁴. In order to avoid errors when adding the quarterly amounts⁵, the US figures come from the Centre for Responsive Politics' database (Open Secrets⁶) – a key US lobbying watchdog. These comparisons allowed interesting parallels and patterns to be seen. The figures speak for themselves to a large extent⁷. However, in order to better highlight the significance of the findings, the study is organised around a series of categories that help shed light on the weaknesses in the EU system.



- 2 We used the Europe 2009 ranking compiled by CNN/Fortune, which is based on the 2008 revenues of the companies. The ranking is available at: http://money.cnn.com/magazines/fortune/global500/2009/full_list/
- 3 Except few cases where the EU register was only providing with the figures of 2007 and 2009. For these, we compared the EU figure with his US equivalent at this point of time.
- 4 The EU register of interest representatives can be found online at: <https://webgate.ec.europa.eu/transparency/regrin/welcome.do>
- 5 The US lobbying disclosure database can be found online at: <http://disclosures.house.gov/ld/ldsearch.aspx>
- 6 The database can be found online at: <http://www.opensecrets.org/lobby/index.php>
- 7 The complete spreadsheet, together with sector-specific tables and charts, are available in annex.

The limits of the voluntary approach

Big players are missing

1

1.1 Companies missing in the EU, but registered in the USA

20 of the 50 largest European companies (40%), are absent from the EU register, failing to declare any lobbying expenditure in the EU for 2008. In practice, these companies are evading any public scrutiny of their lobbying activities even though many are involved in shaping regulations that affects millions of citizens and consumers around the EU. However the very nature of the EU register makes it impossible to know whether or not this is the case.

Absent from the EU Commission's register, but registered in the USA

- > Telecommunications: Nokia
- > Banks and Insurance: HSBC, Deutsche Bank, Barclays
- > Energy sector: E.ON
- > Food and distribution: Nestle

1.2 Missing from the EU Commission's register, but accredited to the European Parliament (Number of access badges)

- > Banks and Insurance: Deutsche Bank (4), Banco Santander S.A. (2)
- > Telecommunications industry: Nokia Group (3), Nokia Siemens Networks (3)
- > Energy sector: EON - E.ON (9), RWE Aktiengesellschaft (3)
- > Steel industry: ThyssenKrupp AG (3)
- > Food industry: Nestle (4)
- > Car industry: BMW Group (3)

The fact that these companies are accredited to the EP clearly indicates that they are involved in lobbying at the European level.

1.3 Absent from both EU and US registers

- > Telecommunications: Vodafone
- > Banks and Insurance: Dexia, Banco Santander, Royal Bank of Scotland, Assicurazioni Generali, Munich Re, HBOS
- > Energy sector: Repsol, RWE
- > Food and distribution: Metro, Tesco
- > Car industry: BMW

1.4 Case studies

Vodafone: Showing the weakness of the EU system

Telecommunications giant Vodafone is nowhere to be found in the EU register for 2008. Didn't the company lobby at all during this period? Has it ever lobbied or did it disappear temporarily? Or did it employ consultancies to lobby on its behalf or use professional associations?

It is impossible to find out from the EU register whether a company has undertaken lobbying activities either before or after 2008, as a client of a lobbying consultancy or directly lobbying in its own name. The register also fails to show the links between the company and sector-specific professional associations, as it does not mention that Vodafone is a member of powerful GSMA Europe. GSMA (the GSM Association, representing the interests of the worldwide mobile communications industry) is registered in its own right, declaring more than a million euro in lobbying expenses for 2008. But the register does not show how these funds were used or what proportion of these funds was used to defend Vodafone's interests. Nor does it show which policy dossiers GSMA tried to influence.

It is clear that the telecommunications industry did lobby very actively in 2008. At the time, the Commission was preparing a set of reforms to harmonize call charges for mobile users in the EU, including new regulations on call termination and roaming charges (lowering the prices for making and receiving calls, texting and using various services from abroad) ahead of which the main companies involved defended their own interests.

"EU Commissioner provoking bitter fight with mobile operators [...] Vodafone has vented its anger at Viviane Reding by making the extraordinary claim that 40m Europeans could be forced to ditch their mobile phones because of the European Union telecoms commissioner's controversial plan for telecoms reform. Ms Reding is provoking a bitter fight with leading mobile operators over her ambition for deep cuts in the charges that they impose on each other, together with fixed-line phone companies, for connecting calls to their wireless networks."

Financial Times, September 1st 2008⁸

⁸ Andrew Parker, Financial Times, Companies UK, 1 September 2008. Available online through Factiva, accessed 18 March 2010

The limits of the voluntary approach

Big players are missing

E.ON's secret energy policy?

E.ON is absent from the EU register, yet the company is entitled to nine access passes to the European Parliament, including four long-term badges⁹. E.ON, together with three other companies - Gazprom, BASF/Wintershall Holding and Gasunie – is part of Nord Stream AG, a consortium which is involved in constructing a gas pipeline between the EU and Russia via the Baltic Sea. Unlike E.ON, Nord Stream is in the EU register. Its entry does not however reveal the amount each company within the consortium (including E.ON) spent on the project in 2008. But the very fact that Nord Stream is registered reveals that the consortium members are interested in lobbying the EU on energy policy and legislation.

Nestle: Transparent food labelling?

Nestle is one of the biggest food-processing companies in the world. It is not registered in the EU register, but its staff has four access passes to the European Parliament¹⁰. If it does not lobby, what does it use these access passes for?

It seems very unlikely that such big a stakeholder in the European food industry did not lobby the EU in 2008. In January that year, the European Parliament and the Council proposed new regulations on food labelling; intended to clarify which information was mandatory, which was voluntary and what nutritional information the consumer should be given¹¹. A consultation was launched, which is still on-going at the time of writing¹². Early in March 2008, the Confederation of Food and Drink Industries (CIAA), which is also not registered in the EU register, declared it supported minimal labelling in order to avoid “overloading”¹³ consumers with information. Nestle is a member of the CIAA.

January 2008

The Confederation of Food and Drink Industries (CIAA) states it has **“some serious concerns”** about the proposal. It fears that if room is left for voluntary national schemes to co-exist it will **“substantially weaken the Single Market and consequently the competitiveness of the food and drink industry. In addition, a proliferation of national schemes will lead to consumer confusion rather than consumer information”**¹⁴.

The Commission proposal **“tries to turn the back-of-pack into the front-of-pack by making six elements mandatory. This completely ignores the need of consumers for simple information and lacks any flexibility for smaller labels and smaller packages.”** As for the font size, CIAA agrees that legibility is a key issue for manufacturers, but that it is more than a simple question of font size. **“It is about providing the right information while taking account of real-life constraints, such as package size and space for branding”**¹⁵.

The adoption of tighter registration requirements would affect companies such as Nestle. Furthermore the statements made by the CIAA suggest it is very unlikely that Nestle refrained from lobbying the EU in 2008.

January 2010

CIAA position on food information¹⁶: **“We favour a Regulation that goes for full harmonisation while at the same time providing operators with some flexibility to provide additional information.”**

March 2010

“European food companies have strongly opposed such a scheme, arguing that it would hurt their competitiveness, and unfairly demonise certain foods, such as cheese and pâté. They have instead touted a system where most nutritional information would be stay on the back of packets. Lisa McCooey, a spokesperson for the CIAA, a European food industry trade group that includes Coca-Cola and Nestlé, among others, welcomed the decision to reject traffic lights”¹⁷.

9 The European Parliament issues temporary and long-term access passes. Both are issued to named individuals. Lobbyists who are granted long-term access passes are free to enter the building as often as they want during a one-year period. <http://www.europarl.europa.eu/parliament/expert/lobbyAlphaOrderByOrg.do?letter=E&language=EN>

10 <http://www.europarl.europa.eu/parliament/expert/lobbyAlphaOrderByOrg.do?letter=N&language=EN>

11 http://eur-lex.europa.eu/smartapi/cgi/sga_doc?smartapi!celexplus!prod!DocNumber&lg=EN&type_doc=COMfinal&an_doc=2008&nu_doc=0040

12 <http://www.europarl.europa.eu/oeil/FindByDocnum.do?lang=en&docnum=COM/2008/40>

13 <http://www.europevoice.com/article/2010/03/meps-back-a-visible-calorie-count-on-food-packs/67421.aspx>

14 For both statements, refer to Euractiv: <http://www.euractiv.com/en/health/industry-bashes-commission-proposals-food-labelling/article-169973>

15 <http://www.euractiv.com/en/health/industry-bashes-commission-proposals-food-labelling/article-169973>

16 The Confederation of the Food and Drink Industries in the EU, Brussels, 29 January 2010, 2p. Available at:

<http://www.ciaa.be/documents/positions/CIAA%20position%2029%20January%202010.pdf>

17 Joshua Chaffin, The Financial Times, “Big food groups win fight over labelling”, 17 March 2010, p.6, <http://www.ft.com/cms/s/0/017e45b0-3164-11df-9741-00144feabdc0.html>

European banks

2008 was an important year for bankers. The credit-crunch, the financial crisis, big bail-outs for some of the major banks all generated controversy within and around banking and financial circles. They also led EU decision-makers to announce some changes to the very lax, bank-friendly legislation that had made the crisis possible.

In February 2009, Charly McCreedy, then Commissioner for Internal market, acknowledged the influence of the banking industry on European legislators and their role in creating the crisis: ***“What we do not need is to become captive of those with the biggest lobby budgets or the most persuasive lobbyists: We need to remember that it was many of those same lobbyists who in the past managed to convince legislators to insert clauses and provisions that contributed so much to the lax standards and mass excesses that have created the systemic risks. The taxpayer is now forced to pick up the bill”***¹⁸.

In addition, EU decision-makers adopted several new regulations which were likely to spark heavy lobbying from bankers. For instance:

- > In February 2008, the Commission made a proposal to the Council on sovereign wealth funds to improve financial stability, which led to measures intended to strengthen supervisory committees in January 2009;
- > In February 2008, the Commission announced the revision of the Undertakings for Collective Investment in Transferable Securities (UCITS) directive. Banks responded by asking for a major relaxation of the rules despite the crisis¹⁹;
- > In September 2008, the Commission announced tighter cross-border supervision of banks in response to crisis credit;
- > November 2008, the Commission adopted a new proposal to regulate credit rating agencies.

In the context of the crisis, it is obvious that the bankers were defending their interests:

Kerstin Jochnick, chairwoman of the Committee of the European Banking Supervisors (CEBS) responded to the announcements of further cross-border regulation of banks, saying:

“Changing national legislations and attitudes in the banking sector is like turning a Skoda into a Volvo”²⁰.

In the USA, several reports revealed that ***“the industry increased lobbying spending as the financial crisis deepened, partly in an effort to combat tougher controls over their businesses”***²¹.

Essential Information and the Consumer Education Foundation found that the financial industry had invested around 5 billion dollars in lobbying the US decision-makers between 1998 and 2008²². Yet in Europe, major players such as Deutsche Bank, Barclays, and HSBC did not declare any lobbying expenditure in 2008, hiding the level of lobbying by the financial industry, which has been both global and intense²³.



¹⁸ <http://www.corporateeurope.org/lobbycracy/content/2009/04/finance-lobbyists-experts-clothing>.

¹⁹ <http://www.europeanvoice.com/article/imported/mccreevy-told-to-relax-fund-rules/59241.aspx>

²⁰ <http://www.euractiv.com/en/financial-services/eu-announces-tighter-controls-cross-border-finance/article-175297>

²¹ Elizabeth Williamson, Wall Street Journal, “Lobbying Backlash Builds in Congress; Financial Firms Face Legislation Aiming to Assure U.S. Rescue Funds Aren’t Misspent”, 21 October 2008; available online through Factiva (accessed 18 March 2010)

²² Essential Information and the Consumer Education Foundation, “Sold Out: How Wall Street and Washington betrayed America”, 4 March 2009, 231p.: http://www.wallstreetwatch.org/reports/sold_out.pdf

²³ Find out more information about the lobbying of the banks at the time on : <http://www.europeanvoice.com/article/imported/big-profits-can-lead-to-bigger-problems/65731.aspx>

Big players, small spenders

Unfeasibly low budget declarations

2

Top European companies earn hundreds of billions of euro every year. However, the amounts they declare they have spent on lobbying - according to entries in the EU register – do not correlate with their actual size or revenue. The entries in the EU register do not appear to be realistic. They rarely exceed one million euro, and in most cases only a few hundred thousand euro is declared – which is peanuts compared to the actual clout of the companies within their own sectors and in the EU bubble.

2.1 Compared to competitors in the same industry sector

Comparing the lobbying expenditure of companies within their respective industry-sectors raises questions about the figures declared in the EU register. They cast doubt on the assessment of the lobby budgets of the companies. More particularly, these entries highlight the lack of screening of the register's content, the random nature of the reporting mechanism, and the misleading picture the EU registers provides of lobbying in the EU.

- > **Oil industry:** the Dutch oil giant Shell declared it had spent 400,000 to 450,000 euro on lobbying in the EU in 2008 - 0.0001% of its annual revenue (458 billion euro). Its British competitor BP declared a similar level of expenditure. Yet US-based ExxonMobil Petroleum & Chemical, which has slightly less revenue than Shell, declared it had spent twice as much as the Dutch-based company, or the equivalent of Shell and BP's expenses combined.
- > **Car industry:** in 2009²⁴, Volkswagen, the fifth biggest company, declared expenditure of 200,000 to 250,000 euro on lobbying – the same amount as declared by Fiat, which is 32nd in the ranking, the year before. In the meantime, Daimler - a company half the size of Volkswagen - declared spending 1.5 times as much on lobbying in 2009.

2.2 Compared to other groups

Brussels-based non-governmental groups that declare lobby expenditure of more than one million:

- > Eurogroup for Animals
- > Friends of the Countryside
- > European Citizen Action Service
- > European Council on Refugees and Exiles
- > European Landowners' Organization

According to these figures, the lobbying expenses of organisations which are far less visible such as Eurogroup for Animals and the Friends of the Countryside far exceed those of Europe's largest companies. According to the declarations, they spend:

- > More than twice as much as the biggest oil companies (Shell, BP) or the defence consortium EADS;
- > More than three times as much as energy giants Total, Arcelor Mittal, GDF, Enel;
- > Almost 10 times as much as the French car-maker Peugeot, or the electronics company Robert Bosch;

If these figures are accurate, Eurogroup for Animals would presumably have better access to EU decision-makers than these companies. It is obvious that this is not the case. However, as the register is not mandatory, it fails to give a comprehensive overview of the lobbying picture in the EU.

2.3 Compared to the US registrations: EU companies lobby more in the USA than in the EU

Although EU-based companies would be expected to prioritise the European market, and therefore lobby EU institutions more than the US government, a comparison of the amounts spent by these companies in the EU and USA reveals that this is not the case. Twenty one of the top 50 companies are registered in both the EU and the USA – and 13 of these declare they spend more in the USA than in the EU.

This suggests that some of the figures in the EU register are unfeasibly low. High profile companies such as BP, Shell and Volkswagen are all apparently spending more in the USA than they spend at home.

Highlights: Out of the 21 companies signed up to both registers, 13 declare a higher lobbying budget in the USA than in the EU.

1. BP: the British firm apparently devotes 17 times more money to lobbying in the USA compared to the EU;
2. Royal Dutch Shell: five times as much;
3. Volkswagen: more than three times as much;
4. Arcelor Mittal: three times as much;
5. Siemens: more than six times as much;
6. EADS: more than seven times as much.

²⁴ 2008 figures are not available for both Volkswagen and Daimler; however the EU register does give their respective expenditures for 2009.

Outdated information

Questionable updates revealed

Unlike in the USA, the EU register does not require organisations to provide up-to-date information about their activities, meaning that the information that is provided is even less revealing.

In the USA, companies are legally required to declare their lobbying activities on a quarterly basis, each year. They must disclose the identity of the individual lobbyists and of their clients, the dossiers lobbied on, and precise financial information. In practice, the US register provides updated information about the lobbying activities of any company and access to that company's archives from when it first signed up. This is especially useful because it makes it possible to check potential gaps or black holes in entries. Has a company disappeared for example? How long was it absent from the register? Any company not abiding by the registration rules, while lobbying in the USA, risks being taken to court for evading the law.

Conversely, entries in the EU register rarely refer to ongoing activities in the current year, but to the previous year, if not the year before. To date, most entries refer to 2008. The EU register does not include records of previous entries - or at least does not make them available to the public. It is left to the companies to update their figures and in theory they are supposed to review their entry one year after signing up and then every year at the same time. Failure to do so will mean their entry disappears from the register, but unless the public are checking the register very regularly, this is unlikely to be noticed. Anyone looking might assume that the company had never signed up in the first place. It is then impossible to know if a company has never signed up to the register, or if its entry has been withdrawn at some point. There is also no clear framework setting out how updates should be given, which would make it easier to check the figures submitted, and would also make it easier to detect unrealistic entries, while also making it easier for the companies.

The public will have to wait until mid or late 2011 before information is available in the EU register on who has been lobbying in the EU during the first quarter of 2010 – by which stage the information will be much less useful and far less valuable. The US system, in contrast, will include such information by the end of the year.



The million-euro threshold

Which companies spent more than a million euro on lobbying in the EU and in the USA?

4

According to the figures reported, the largest EU companies report significantly higher lobbying expenditure in the USA than in the EU:

- > In 2008, only three of the top 50 companies reported spending more than a million euro on lobbying in the EU (BASF, Deutsche Telekom, and Telefonica) compared to 10 companies in the USA.
- > Only five of the top 50 (ENI, Siemens, Statoil Hydro, Deutsche Post, and Axa) reported expenditure of between 500,000 and one million euro in the EU, compared to seven companies in the USA.

Were these figures accurate, the largest EU companies could be expected to have much better access to decision-makers and policy processes and to be more influential in the USA than in the EU. As the main markets of most European companies are located in the EU, this again raises questions on the validity of their entries in the EU lobby register.

According to the EU register, only seven companies spent more than a million euro on lobbying in 2008. Of these, four are based outside of the EU and only three companies are listed among Europe's top 50 companies. These three are BASF, Deutsche Telekom, and Telefonica.

The US register lists 136 companies with quarterly registrations exceeding or equal to the one-million dollar threshold.

The details of spending on lobbying in the USA, alongside the evidence of lobbying activity in the EU, suggests that EU companies are either failing to declare their lobby spend or underestimating it in the register. Were the register mandatory, it would be far easier to see the true scale of lobbying activities in the EU.



Table 1. EU top spenders

Smaller US lobbying expenditure / (-) difference. Higher US lobbying expenditure / (+) difference.

Ranking	Name	EU Lobbying Expenditure (2008 - €)	US Lobbying Expenditure (2008 - \$)	US Lobbying Expenditure (2008 - €)	US versus EU lobby expenditure (difference)
1	Telefonica	1,490,000	340,000	263,566	-5.7
2	BASF	1,200,000	1,023,638	793,518	-1.5
2	Deutsche Telekom	1,200,000	6,675,102	5,174,498	4.3
3	Statoil Hydro	700,000-750,000	815,803	632,405	-1.1
4	ENI (2009)	671,000	-	-	-
5	Siemens	550,000-600,000	4,844,000	3,755,039	6.5

Table 2. US top Spenders

Smaller US lobbying expenditure / (-) difference. Higher US lobbying expenditure / (+) difference.

Ranking	Name	EU Lobbying Expenditure (2008 - €)	US Lobbying Expenditure (2008 - \$)	US Lobbying Expenditure (2008 - €)	US versus EU lobby expenditure (difference)
1	BP	400,000-450,000	10,450,000	8,100,775	17.1
2	Deutsche Telekom	1,200,000	6,675,102	5,174,498	4.3
3	Siemens	550,000-600,000	4,844,000	3,755,039	6.5
4	EADS	450,000-500,000	4,526,620	3,509,008	7.4
5	Royal Dutch Shell	400,000-450,000	3,303,119	2,560,557	5.4

Oil industry

The bigger the company, the smaller the lobby budget

5

The oil industry is a remarkable case in point of the law of decreasing lobbying: the bigger the oil company, the less it appears to spend on lobbying.

At the European level, Statoil, Europe's 17th largest company declares more than ENI, which declares more than both Shell and BP.

- > Statoil spends almost twice as much as Shell or BP - respectively the two largest EU-based companies;
- > ENI, the seventh biggest company in the top 50, spends almost twice as much as Total – the third largest oil company in the EU;
- > Yet Total, which has almost half the annual revenue of Shell, spends the same amount on lobbying as the top European company.

The figures revealed by the Commission's register do not match the actual lobbying practices around Brussels, where Shell and BP are much more active than ENI and Statoil. As described in a report from Corporate Europe Observatory and PLATFORM, *"BP has established an impressive Brussels power base, with key figures strategically placed inside EU institutions. The result seems to be that some within the EU think that what works for BP must be in the best interests of the EU's citizens, but it is far from clear that this is the case"*²⁵.

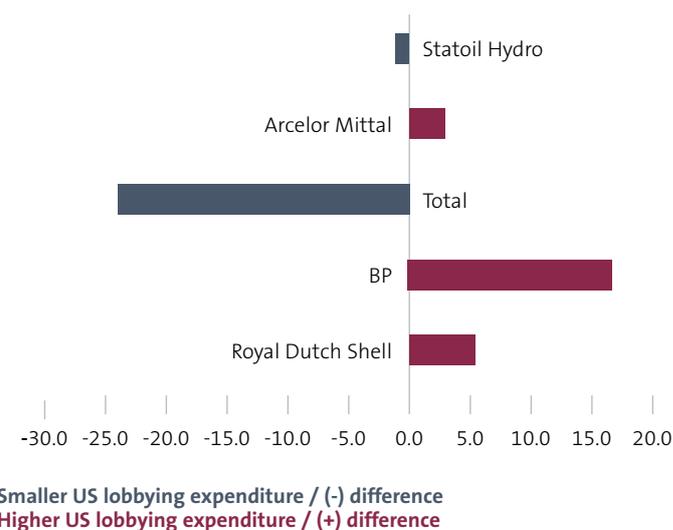
In addition to being familiar with Brussels policy-making circles, oil industry representatives are also very active at the events and conferences organised by various think-tanks. BP and Shell are both very visible around Brussels. Both are partners and VIP members of the influential think-tank Friends of Europe (not in the EU register) and the Centre for European Policy Studies. They also get very good coverage in Brussels media, especially through regular advertisements in newspapers such as Euractiv and The European Voice for instance. In particular, Shell is associated with The European Voice and Euronews through its involvement in the "Comment: Visions" project²⁶. This aims to explore *"the personal views of thinkers, innovators and scientists about possible solutions*

to global warming, overpopulation and dwindling resources," through a series of events and debates in Brussels.

In addition, both BP and Shell employ professional organisations (including the platforms Europaia, The Oil Companies' European Association for Environment, Health and Safety in refining and distribution (CONCAWE), or the European Chemical Industry Council (CEFIC) to voice their opinions during events, presenting themselves as academics and scientists rather than corporate lobbyists²⁷.

At the US level, Royal Dutch Shell and BP are listed in the top five spenders in the register, accounting for more than 2.5 and 8.1 million euro respectively. Yet their lobbying expenditure in the EU is reportedly very low at less than 450,000 euro each.

**Graph 1. Extractive Industries:
US versus EU lobby expenditure 2008 (x)**



Smaller US lobbying expenditure / (-) difference
Higher US lobbying expenditure / (+) difference

Table 3. Extractive Industry

Smaller US lobbying expenditure / (-) difference. Higher US lobbying expenditure / (+) difference.

Ranking	Name	EU Lobbying Expenditure (2008 - €)	US Lobbying Expenditure (2008 - \$)	US Lobbying Expenditure (2008 - €)	US versus EU lobby expenditure (difference)
1	Royal Dutch Shell	400,000-450,000	3,303,119	2,560,557	5.4
2	BP	400,000-450,000	10,450,000	8,100,775	17.1
3	Total	350,000-400,000	<20,000	15,504	-24.2
4	ENI (2009)	671,000	-	-	-
5	Arcelor Mittal	350,000-400,000	1,470,000	1,139,535	3.0
6	Statoil Hydro	700,000-750,000	815,803	632,405	-1.1
7	Repsol	-	-	-	-

25 Corporate Europe Observatory – PLATFORM, "BP – Extracting Influence at the heart of the EU", 2 February 2009, <http://www.corporateeurope.org/climate-and-energy/news/2009/02/02/bp-accused-steering-eu-energy-policy>

26 <http://www.commentvisions.com/about-us>

27 See for instance the events organised by Friends of Europe: <http://www.friendsofeurope.org/Events/tabid/452/EventType/EventView/EventId/435/MovingforwardafterCopenhagen.aspx>

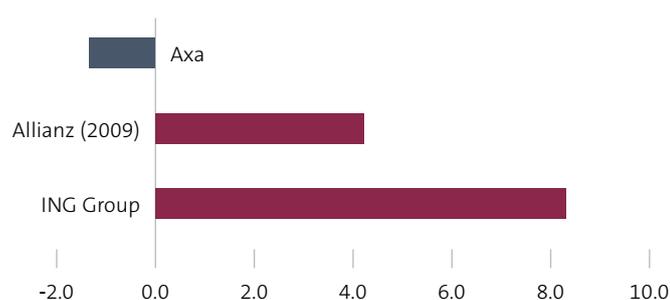
European Banking sector

Mainly lobbying in the USA

6

Far from displaying an accurate picture of their influence on European and international policy-making, the entries of the largest European banks are remarkable for their absence. They reveal an astonishing “one-sided” financial industry, allegedly mainly lobbying in the USA. To date, several major players such as HSBC, Barclays, Deutsche Bank or Royal Bank of Scotland are still missing from the EU register. However the influence of the banking industry on EU regulation and decision-making is obvious. All the major banks have lobbying offices in Brussels, and some such as Deutsche Bank and Banco Santander also hold a number of access passes to the European Parliament (respectively 4 and 2).

**Graph 2. Banking and Insurance sector:
US versus EU lobby expenditure 2008 (x)**



Smaller US lobbying expenditure / (-) difference
Higher US lobbying expenditure / (+) difference

Table 4. Banking and Insurance sector

Smaller US lobbying expenditure / (-) difference. Higher US lobbying expenditure / (+) difference.

Ranking	Name	EU Lobbying Expenditure (2008 - €)	US Lobbying Expenditure (2008 - \$)	US Lobbying Expenditure (2008 - €)	US versus EU lobby expenditure (difference)
1	ING Group	150,000-200,000	1,870,000	1,449,612	8.3
2	Dexia Group	-	-	-	-
3	Allianz (2009)	200,000-250,000	1,441,006	965,951	4.3
4	HSBC	-	3,280,000	2,542,636	-
5	BNP Paribas	400,000-450,000	-	-	-
6	Banco Santander	-	-	-	-
7	Royal Bank of Scotland	-	-	-	-
8	Société Générale	400,000-450,000	-	-	-
9	Crédit Agricole	400,000-450,000	-	-	-
10	Assicurazioni Generali	-	-	-	-
11	UniCredit Group	400,000-450,000	-	-	-
12	Deutsche Bank	-	770,000	596,899	-
13	AXA	500,000	470,000	364,341	-1.4
14	Barclays	-	2,650,000	2,054,264	-
15	Munich Re Group#	-	-	-	-

28 <http://www.dbadvisors.com/deam/dyn/globalResearch/index.jsp>

29 <http://www.euractiv.com/en/climate-change/bank-sees-green-opportunities-economic-slump/article-176638>

Car industry

Greenwashing instead of registering

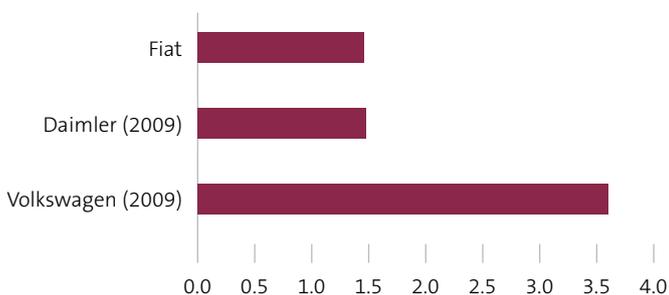
- > German BMW did not sign up to the EU register in 2008; yet the company held two access passes to the parliament and had three staff in EU affairs offices at the time³⁰.
- > National counterparts Volkswagen and Daimler spent respectively 3.6 and 1.5 more on lobbying in the USA than in the EU, declaring a spend supposedly totalling less than 600,000 euro combined in the EU.

According to the figures, the European car industry (including the winner of the 2007 Worst Lobbying award BMW) lobbied more in the USA than in the EU in 2008, while some companies declare no lobbying expenditure at all at the EU level. Again this casts doubt on the accuracy of the figures provided by the figures these companies are reporting?

The facts speak for themselves. They show how this industry has been much more involved in greenwashing and watering down EU proposals to curb car emissions than in playing the transparency game.

Following the Commission's 2007 proposal for a binding target of 120g/km for car emissions via innovations in the vehicles, the European car companies reacted with an intense lobbying campaign led through the European Automobile Manufacturers Association (ACEA) and of which BMW is a member. In September 2008, European MEPs were asked to vote on the car fuel efficiency directive. They postponed the introduction of the 120g CO2/km target from 2012 to 2015, - a decision which reveals the power of the car industry on the EU representatives³¹.

Graph 3. Car Industry: US versus EU lobby expenditure 2008 (x)



Smaller US lobbying expenditure / (-) difference
Higher US lobbying expenditure / (+) difference



Table 5. Car Industry

Smaller US lobbying expenditure / (-) difference. Higher US lobbying expenditure / (+) difference.

Ranking	Name	EU Lobbying Expenditure (2008 - €)	US Lobbying Expenditure (2008 - \$)	US Lobbying Expenditure (2008 - €)	US versus EU lobby expenditure (difference)
1	Volkswagen (2009)	200,000-250,000	1,050,000	813,953	3.6
2	Daimler (2009)	300,000-350,000	717,682	481,085	1.5
3	Fiat	200,000-250,000	430,000	333,333	1.5
4	Peugeot	150,000-200,000	-	-	-
5	BMW	-	-	-	-

30 Check the work done on the car industry by Corporate Europe Observatory: <http://archive.corporateeurope.org/carlobby.html>

31 Find out more on the Car industry lobby on: <http://www.foeeurope.org/cars/index.html>

Retail and distribution industry

Not lobbying?

8

- > Important European retailers such as Tesco and Metro are absent from the EU register.
- > The leader supermarket retailer Carrefour declared spending just 250,000-300,000 euro on lobbying in the EU in 2008.
- > The groups are all members of European Retail Roundtable (ERRT), an important group representing the large retail industry in Europe, which has signed up to the EU register. The ERRT mentions its member companies in its registration but fails to disclose how much of its lobby budget is devoted to representing specific interests.
- > The president of the ERRT³² is Terry Leahy, the chief executive of Tesco. The company also holds a seat in the Business Group chairing the ERRT. Metro and Carrefour are represented on the Roundtable and the Business Group of the ERRT as well. Solène Flahaut, Carrefour's public affairs manager, is vice-chairman of the Business Group.

In December 2008, the European Commission issued a communication on food prices in Europe. In its recommendation it put special emphasis on the competitiveness of the food supply chain (based on the recommendations from the High Level Group on the Competitiveness of the Agro-Food Industry) and a review of regulations which were seen as causing a problem by the industry.

The ERRT responded saying it was *“very pleased with the emphasis on the competitiveness of the food supply chain and we applaud the long-overdue focus on reviewing Member States’ policies that restrict competition. This focus is particularly crucial at a time when consumers are looking for ever-keener prices. Policies that restrict retailers’ entry to markets, policies that limit the efficiency of retailers already present in a market and policies that limit price competition - all have direct, negative impacts on prices.”*³³

In this context, it is difficult to understand why Tesco and Metro did not declare any lobbying expenditure in 2008. Carrefour reported a very low amount given the size of the Group, its influence in the ERRT and its influence on EU policy-making for food and distribution.



Table 6. Food and distribution industry

Ranking	Name	EU Lobbying Expenditure (2008 - €)	US Lobbying Expenditure (2008 - \$)	US Lobbying Expenditure (2008 - €)	US versus EU lobby expenditure (difference)
1	Carrefour	250,000-300,000	-	-	-
2	Nestle	-	2,795,487	2,167,044	-
3	Metro	-	-	-	-
4	Tesco	-	-	-	-

³² <http://www.errt.org/index.php?page=structure-organisation>

³³ <http://www.errt.org/index.php?page=food-prices-3>

Appendix

Lobby expenditure - tables and charts

9

Table 7. Top 50 CNN List

Smaller US lobbying expenditure / (-) difference. Higher US lobbying expenditure / (+) difference.

Ranking	Name	EU Lobbying Expenditure (2008 - €)	US Lobbying Expenditure (2008 - \$)	US Lobbying Expenditure (2008 - €)	US versus EU lobby expenditure (difference)
1	Royal Dutch Shell	400,000-450,000	3,303,119	2,560,557	5.4
2	BP	400,000-450,000	10,450,000	8,100,775	17.1
3	Total	350,000-400,000	<20,000	15,504	-24.2
4	ING Group	150,000-200,000	1,870,000	1,449,612	8.3
5	Volkswagen#	200,000-250,000	1,050,000	813,953	3.6
6	Dexia Group	-	-	-	-
7	ENI#	671,000	-	-	-
8	Allianz#	200,000-250,000	1,441,006	965,951	4.3
9	HSBC	-	3,280,000	2,542,636	-
10	Daimler#	300,000-350,000	717,682	481,085	1.5
11	BNP Paribas	400,000-450,000	-	-	-
12	Carrefour	250,000-300,000	-	-	-
13	E.ON	-	105,000	81,395	-
14	Arcelor Mittal	350,000-400,000	1,470,000	1,139,535	3.0
15	Siemens	550,000-600,000	4,844,000	3,755,039	6.5
16	Banco Santander	-	-	-	-
17	Statoil Hydro	700,000-750,000	815,803	632,405	-1.1
18	Royal Bank of Scotland	-	-	-	-
19	Société Générale	400,000-450,000	-	-	-
20	Crédit Agricole	400,000-450,000	-	-	-
21	Assicurazioni Generali	-	-	-	-
22	Nestle	-	2,795,487	2,167,044	-
23	Metro	-	-	-	-
24	GDF Suez	300,000-350,000	650,000	503,876	1.6
25	Deutsche Post#	500,000-550,000	63,500	42,566	-12.3
26	Tesco	-	-	-	-
27	EDF	250,000-300,000	-	-	-
28	UniCredit Group	400,000-450,000	-	-	-
29	BASF	1,200,000	1,023,638	793,518	-1.5
30	Deutsche Telekom	1,200,000	6,675,102	5,174,498	4.3
31	ENEL*	350,000-400,000	220,000	149,274	-2.5
32	Fiat	200,000-250,000	430,000	333,333	1.5
33	Telefonica	1,490,000	340,000	263,566	-5.7
34	Deutsche Bank	-	770,000	596,899	-
35	AXA	500,000	470,000	364,341	-1.4
36	ThyssenKrupp#	-	40,000	26,813	-
37	Peugeot	150,000-200,000	-	-	-
38	Repsol	-	-	-	-
39	France Telecom	490,000	<20,000	15,504	-31.6
40	BMW	-	-	-	-
41	Barclays	-	2,650,000	2,054,264	-
42	Nokia	-	710,000	550,388	-
43	Rwe	-	-	-	-
44	Vodafone	-	-	-	-
45	Munich Re Group#	-	-	-	-
46	Robert Bosch	150,000-200,000	390,000	302,326	1.7
47	Saint-Gobain	-	152,500	118,217	-
48	EADS	450,000-500,000	4,526,620	3,509,008	7.4
49	A.P. Møller-Mærsk Group	-	635,000	492,248	-
50	HBOS	-	-	-	-
Total lobbying expenditures		13,351,000-14,501,000	51,888,457	39,996,130	

Legend Of the top 50, 29 companies are registered in the EU = 58% | Of the top 50, 30 companies are registered in the US = 60% | # : 2009 figures (only figures available in European lobby register) | * : 2007 figures (only figures available in European lobby register) | - : company not registered | Euro:Dollar exchange rate based on European Commission website data on the exchange rate in December 2008 (or December 2009 for 2009 figures) <http://ec.europa.eu/budget/inforeuro/> | December 2007 Euro:Dollar = 1:1.473800 | December 2008 Euro:Dollar = 1:1.290000 | December 2009 Euro:Dollar = 1:1.491800 | Where a range of figures has been given, the average has always been used for calculation purposes | Ranking based on CNNMoney.com Global 500 ranking; July 20, 2009 | EU lobbying expenditures based on EU lobby register | US figures based on OpenSecrets Database (Center for Responsives Politics)



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