

**15 March 2001****UNICE BENCHMARKING REPORT 2001:  
EU MUST MAKE A REALITY OF REFORM**

UNICE today launched its 2001 Benchmarking Report. This fourth Benchmarking Report titled "The reNEWed Economy; Business for a dynamic Europe\*" explores the impact of the new economy on Europe's competitiveness.

"The new economy provides a unique opportunity for Europe to improve its living standards, increase employment and speed up growth", UNICE President Jacobs stated. "Much is at stake. The EU is lagging behind the US in many areas, though there are substantial differences within Europe. If Europe is to catch up and compete with the US, governments must create the conditions for the opportunities offered by the new technologies to spread throughout the economy within a modernized European social model".

The new Benchmarking Report shows, for example, that 6.1% of GDP is spent on ICT in the EU, compared to 8.6% in the US. 95% of US schools have Internet access, while only 45% of primary schools and 80% of secondary schools in the EU are connected to the Internet. In the US, there are 52 computers per 100 people, but only 29 in Japan and 25 in the EU.

Entrepreneurship is the key to growth. The business environment in the EU is not as supportive for the development of new companies as in the US. The EU economy suffers from a lack of venture capital. Venture capital in Europe is equal to only 15% of the level in the US. This puts European companies at a disadvantage vis-à-vis their US competitors. The burden of regulation and taxation remains a major obstacle to the growth of new companies in many European countries. Taxes on labour are significantly higher in the EU than in the US, thus holding back employment creation. An average production worker enjoys his first tax-free day on 16 May in the US. In the EU-15 the first tax-free day is on 24 July.

The UNICE Report concludes that if Europe is to be a dynamic and competitive knowledge-based economy, it needs to have a stronger spirit of enterprise, a more competitive environment, a world-class knowledge infrastructure and a society more supportive of change. Many of these issues will be on the table at the Stockholm Summit, and Member States are urged to make good their promises. "No less than the future of Europe's competitiveness is at stake", said UNICE President Georges Jacobs. "The momentum of the Lisbon Summit must be maintained and Stockholm must make a reality of the necessary economic and structural reforms".

\* *The 2001 UNICE Benchmarking Report is available on the web: [www.unice.org](http://www.unice.org)*

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