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**EUROPEAN BUSINESS LEADERS APPEAL TO HEADS OF STATE AND  
GOVERNMENT:  
STRUCTURAL REFORMS IN ECONOMIC DOWNTURN MORE CRUCIAL  
THAN EVER**

At today's top-level meeting of UNICE's Council of Presidents, bringing together all heads of industrial and employers' confederations from 26 European countries, the business leaders adopted a statement addressed to Heads of State and Government, meeting next week in Laeken. UNICE's Presidents defined three priorities for 2002 :

- creating a spirit of entrepreneurship by working for a business environment that stimulates innovation;
- creating space for business, and
- more labour market flexibility.

Business chiefs urge EU political leaders to show political will by committing to their promise to make Europe the most competitive economic region in the world by 2010. This goal, set nearly two years ago in Lisbon, is still distant. "We are disappointed to see that governments have not taken the necessary steps to follow up on their promise", said UNICE President George Jacobs. "Business needs further liberalisation, in particular in areas such as energy, transport and financial services. We urge Heads of State and Government to revitalise the Lisbon declaration and to go ahead with radical structural reform. Otherwise, companies in Europe risk being disadvantaged. European companies need better legislation, not more. We need incentives for innovation and investment", he appealed.

UNICE's Council of Presidents also drew attention to what progress needs to be made before more countries can join the EU. While strongly supporting EU enlargement, UNICE's Presidents said that further structural reform is needed not only within the EU, but also in candidate countries.

The full text of the declaration is attached.

Note to the editor:

UNICE is the official voice of more than 16 million small, medium and large companies active in Europe, employing over 106 million people. Active in European affairs since 1958, UNICE's members are 33 central industrial and employers' federations from 26 countries, working together to achieve growth and competitiveness in Europe.

**BUSINESS CALLS ON LAEKEN SUMMIT: STRUCTURAL REFORMS IN ECONOMIC DOWNTURN MORE CRUCIAL THAN EVER**

*The Council of Presidents of UNICE - comprising the Chairmen of all 33 national member federations - met today in Brussels and adopted a statement setting out priorities and what business expects from the European Council in Laeken (14-15 December 2001):*

Europe's business leaders met at a time when the global economic situation – partly in the aftermath of the events of 11 September - is considerably less favourable than expected, and Europe, as well as its major trading partners, is fighting a severe economic downturn. Governments need to focus on creating the conditions for higher investment, growth and competitiveness through structural reform and macroeconomic stability, including budgetary discipline. In the current international climate of economic uncertainty, these reforms are more necessary than ever. Liberalising markets, notably energy, transport and public utilities such as postal services and telecommunications, and simplifying EU regulations are promises made by Heads of State and Government in Lisbon, which European business leaders consider crucial. UNICE also requests that all measures are taken in every Member State in order to complete the Internal Market and to avoid distortion of competition between different countries' systems.

Also in this context, UNICE welcomes the decision, taken in Doha on 14 November, to launch a new round of multilateral trade negotiations. This is a sign of renewed confidence in the WTO, and a commitment to pursue trade and investment liberalisation, which are beneficial to all.

Meeting only three weeks away from physical introduction of euro notes and coins, UNICE's presidents expressed their confidence in a smooth changeover. This historic event will make the single currency a reality for 300 million citizens throughout Europe. Bolstering consumer confidence will be a key aspect. Sustaining well-targeted awareness and information campaigns in a final drive is essential to ensure a successful changeover.

## **1. Revitalising the Lisbon reforms – more liberalisation, better legislation**

There is no alternative to further economic and structural reform to achieve the ambitious goals set at the European Summit in Lisbon nearly two years ago: to make Europe the most competitive region in the world by 2010. In the run-up to the special spring summit next March, which will evaluate progress made, UNICE is concerned about the lack of implementation of the Lisbon decisions at national level. UNICE urges Heads of State and Government to revitalise their commitments to liberalise markets, especially labour markets and services such as energy, transport and public utilities such as postal services and telecommunications. UNICE underlines the need to maintain efficient control over state aid to services of general interest, which should not be put in question through new block exemptions. Business is interested in a well-functioning European single market, particularly for financial services, and expects governments to pursue their commitment to simplify regulations, and to promote innovation through adoption of an attractive and competitive Community patent.

Governments should resist pressures to add new layers of regulation, against the spirit of Lisbon, notably in the field of social policy, which would hamper necessary restructuring and slow down the pace of recovery in growth and employment. UNICE insists that the Commission action plan for better regulation, promised for July 2002, is essential. As announced, this should ensure that all major policy proposals include a sustainability impact assessment covering their potential economic, social and environmental consequences. On pension reform, UNICE's Presidents underlined the need to promote the development of complementary, funded pension provision which is essential to ensure the long-term sustainability of public finances.

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## **2. Enlargement - more efforts needed despite progress**

UNICE, which is a strong supporter of EU enlargement, welcomes the progress made by many candidate countries towards meeting the criteria for accession. It supports the European Commission's progress reports and recommendations for the Laeken Summit, and in particular the additional assistance package earmarked for strengthening the administrative and judicial capacity of these countries. A candidate country should be admitted as soon as it fulfils the criteria for accession without the need to wait for less prepared applicants. In October, UNICE stressed that extra efforts need to be made in four priority areas: the fight against corruption, improving dialogue between business and candidate countries' governments, further structural reforms and privatisation, and special attention to selected areas of the single market, such as the circulation of goods, intellectual property, public procurement and state aid. Greater public debate on the benefits of enlargement is essential in both the EU and candidate countries.

### **3. Business' future in Europe depends on quality legislation and political will**

The European Union is called upon to play a more active role in an increasingly global political and economic environment. The "Future of Europe" debate launched by the Belgian Presidency is important and UNICE will contribute to it. Companies need a simpler and less distant Europe, a Europe with better quality of legislation and one that encourages the spirit of initiative and free enterprise, a Europe which is able to take decisions that affect business effectively and rapidly. In this context, UNICE renews its call for regulatory and administrative simplification of the business environment in which European companies have to operate. UNICE supports the launch of a Convention to prepare the Intergovernmental Conference to map out Europe's future institutional frame, which needs to be transparent and efficient. The business community in Europe wishes to play an active part in the debate about the future of Europe, and hopes to be included in the Convention as an observer.