

Brussels, 18 December 2002

THE LISBON STRATEGY/ STATUS 2003
"TIME IS RUNNING OUT, ACTION NEEDED NOW"

The business leaders of 27 European countries have assessed the progress achieved towards realisation of the Lisbon strategy to make of Europe "the most competitive and dynamic knowledge-based economy in the world by 2010". For the second consecutive year since the Lisbon EU Council in March 2000, UNICE has presented its detailed conclusions on the state of progress of the Lisbon strategy.

In the document entitled *Lisbon Strategy/status 2003, "Time is running out, action needed now"*, UNICE sends a message to the EU presidency on behalf of its 34 national member organisations. Business leaders confirm that the Lisbon Strategy is the right route to enhance competitiveness and dynamism in Europe. However, the "implementation delivery gap" remains. Three years will have gone by in March 2003, without key measures to achieve the Lisbon goals being decided or implemented.

In a letter to the upcoming EU Council President, Mr Simitis, UNICE has presented its assessment and conclusions to the Greek Presidency. Further, the Presidents of UNICE will personally bring the business message to him on 28 January in Athens and at the Spring Summit in March in Brussels.

The lack of real action to pursue the Lisbon goals is critical in an economic environment with the European economy failing to break out of its lethargic state. Growth rates will remain low, at least throughout the first half of 2003. This is due to a high degree of uncertainty in the international economic climate. But Europe's problems are also due to the fact that our economy is unable to be its own growth motor. Whereas monetary policy has achieved its goal of maintaining price stability, governments have been lagging behind in implementing structural reforms in Member States. Since labour costs are much too high given the current slow growth in labour productivity, pursuing moderate wage policies in Member States is also necessary to redress the economy. Finally lower taxes and less red tape are necessary.

Fostering entrepreneurship, making innovation happen, unleashing the single market, ensuring the strength and efficiency of human resources and striving for sustainable development are the major highlights for European business. For each of the issues, the paper provides detailed information on business' expectations for policy and implementation in Member States and current state of play. Concrete recommendations to remedy the shortcomings identified are also put forward in the paper.

Georges Jacobs, President of UNICE: *"We are at a crossroads, either we want to pursue the Lisbon objectives seriously or we do not. The position of business is definitively a resounding yes. We expect EU institutions and Member States to deliver on their promises promptly in order to offer Europeans a successful and sustainable model of Europe."*

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 34 central industrial and employers federations from 27 countries, working together to achieve growth and competitiveness in Europe.