

Brussels, 16 June 2003

EUROPEAN COMPANIES AT THE HEART OF EUROPEAN DEBATE

Ahead of the European Summit in Thessaloniki, the presidents of the 35 leading industrial and employers' confederations of Europe debated policy and economic developments affecting business. The Convention on Europe's future, the current environmental challenges for business, the macro-economic situation in Europe and social issues dominated the meeting.

The presidents' main conclusions are:

- **Competitiveness as a condition for growth and employment**

Efforts to increase competitiveness are crucial, with a general lack of growth in Europe and Member States failing so far to adapt to an evolving economic and societal situation. Europe's economy is unable to be its own growth motor. This is coupled with weak consumer demand due to lack of trust in markets and erosion of the competitiveness of European companies.

Monetary policy has achieved its goal of maintaining price stability, but governments have been lagging behind in implementing structural reforms. Labour costs remain too high given the current slow growth in labour productivity, which requires pursuit of moderate wage policies in Member States to redress the economy.

In view of this, UNICE welcomes that the final draft of the Convention includes "a highly competitive Europe" as one of the EU's objectives.

- **Conditions for sustainable environmental development**

The Kyoto Protocol gave signatory member states a wide margin of manoeuvre to develop emissions trading, a technique which makes it possible to reduce the cost of climate protection measures. The European Commission has presented a directive to this end, the principles of which UNICE can accept. But UNICE strongly opposes the changes made by the European Parliament, imposing extremely heavy constraints which go far beyond the framework defined in Kyoto. In addition, some major countries have decided not to comply with Kyoto agreements. UNICE would find it difficult to understand if Europe not only were to implement Kyoto before its main trading partners but also did so by penalising its possibilities for economic growth and hence for sustainable environmental progress.

- **WTO negotiations crucial for successful market liberalisation**

Future economic growth in Europe and worldwide is highly dependent on the vitality of world trade and investment. For that reason, European business strongly supports further market liberalisation for goods, agriculture and services in the framework of the WTO Doha Development Agenda negotiations underway. UNICE cannot accept that progress in that direction and the success of the mid-term Cancun Ministerial Conference which should clear the way for the final phase of the negotiations is jeopardised by the current deadlock on agriculture. The preservation of agricultural subsidy policies must not be allowed to stand in the way of the promotion of world trade. Further reduction of trade-distorting support and protection for agriculture should be actively pursued by all WTO members. This includes Europe.

- **Approval of a negotiating mandate on work related stress**

The UNICE presidents also authorised UNICE to open negotiations with ETUC on a voluntary agreement on work related stress.