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**Commission releases Spring Report 2004 on the Lisbon Strategy:
EUROPEAN BUSINESS SAYS: "THE SECRET OF GETTING THE LISBON STRATEGY
BACK ON TRACK IS TO RELEASE THE POTENTIAL OF EUROPEAN COMPANIES"**

Today the European Commission released this year's Spring Report, which assesses the status of the Lisbon Strategy. Its message is the same as UNICE's: the EU is far from reaching the Lisbon goals, mainly due to insufficient economic reform in Member States.

Therefore, the European business community urges the Irish Presidency to ensure that heads of government commit themselves unambiguously to deliver economic reform at the March Spring Summit. UNICE's President Strube recalled that it is excessive costs and regulation that stand in the way of making Europe the most competitive economy in the world by 2010.

The Commission's analysis of economic indicators comes to the same overall conclusions as the UNICE Lisbon Report 2004. The EU is a long way from the Lisbon goal of becoming the world's most competitive, dynamic and knowledge-based economy by 2010: per capita GDP is stuck at 72% of US levels. No change in the trend of declining productivity can be observed. Albeit growing, the EU employment rate will not reach the intermediate Lisbon target of 67% by 2005. The main culprit is insufficient pace in implementation of economic reform within Member States. UNICE welcomes the stronger focus on national performance assessment in the report, pointing out the strengths and shortcomings of each Member State within the Lisbon Strategy.

UNICE does not disagree with the Spring Report's three priorities for action: investments, competitiveness, employment. However, a stronger sense of urgency must be created with an emphasis on economic reforms set to deliver "quick wins". UNICE hopes that at the March Spring Summit heads of government will commit themselves unambiguously to deliver reform measures in their countries that relieve the burden on European economic activity.

In reaction to the report, UNICE's President Jürgen Strube recalled that, ultimately, the competitiveness of Europe means the competitiveness of companies in Europe. Therefore the secret of success in the Lisbon Strategy lies in releasing companies from the burden of regulation and excessive costs that gives them a disadvantage in global competition: "As UNICE has highlighted in its Manifesto for Competitiveness, European companies, just like Swift's Gulliver, need to be released from thousands of small constraints that stop them from releasing their economic potential in order to create prosperity for Europe."

The UNICE Lisbon Strategy Report 2004 and the Manifesto for Competitiveness are available at www.unice.org

Note to the editor:

UNICE is the official voice of more than 16 million small, medium and large companies in Europe. Active in European affairs since 1958 UNICE's members are 35 central industrial and employers' federations from 28 countries, working together to achieve growth and competitiveness in Europe.

For further information, please contact: Maria Fernanda Fau: +32 (0)2 237.65.62
Website: www.unice.org