

UNICE MESSAGE TO THE EUROPEAN COUNCIL SPRING SUMMIT - 23/24 MARCH 2006

WE CALL ON YOU TO URGENTLY IMPLEMENT THE REFORMS FOR GROWTH AND JOBS

The results of the Lisbon Strategy put in place in 2000 to modernise Europe's economy have been disappointing. The strategy was rightly refocused on growth and jobs in 2005, but the reforms you decided on in previous Summits have not been sufficiently delivered. Expected growth of 2.3% this year will probably already be the top of the EU economic cycle, and growth could deteriorate again in 2007. This is much too low to keep our current social systems sustainable or to integrate almost 20 million unemployed people in the labour market. Some EU countries are notable exceptions to this gloomy outlook and prove that low growth in Europe is not pre-ordained.

WE CALL ON YOU TO RESIST PROTECTIONISM WITHIN EUROPE

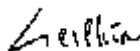
Member States' interventions to limit market access, and difficulties in pushing forward EU legislation aimed at completing the Internal Market, are backward steps for European integration. National protectionism risks causing a domino effect and seriously threatening competitiveness in Europe.

WE CALL ON YOU TO COMMUNICATE THE BENEFITS OF GLOBALISATION

The benefits of globalisation greatly outweigh the costs, and these costs will only be exacerbated by attempts to fight the changes induced by globalisation. It is therefore vital to convince citizens that Europe can and must embrace outside competition because only then will we be able to fully reap the fruits of globalisation: cheaper and better products and services, bigger markets, more opportunities, and in consequence more growth and jobs. Through an ambitious trade policy in the WTO Europe can ensure a level playing field on world markets.

WE CALL ON YOU TO SOLVE THE EU'S INSTITUTIONAL CRISIS

The EU's economic and political crises are deeply intertwined. After last year's failed referendums on the constitutional treaty, the EU must resume its institutional reform in order to regain the confidence of Europe's citizens and improve its capacity for sufficient action. It is important to untangle the institutional imbroglio and get back to work on solutions for better governance before the end of the Austrian Presidency.



Ernest-Antoine Seillière
President

UNICE PRIORITIES FOR THE SPRING SUMMIT 2006

IMPLEMENT NATIONAL REFORM PROGRAMMES

The National Reform Programmes are an important step in the right direction. However, they are not ambitious enough to meet Europe's huge challenges. Moreover, only three UNICE member federations make a positive evaluation of actual progress in implementing reforms over the last year. National implementation is key, especially in the bigger Member States. National Reform Programmes should be updated with more concrete targets and deadlines. On their side, EU institutions must devise more efficient mechanisms to monitor national reform efforts and exert peer pressure where necessary.

RECOMMIT TO THE INTERNAL MARKET

The outcome on the vote of the Services Directive in the European Parliament is a great disappointment because it deprives the directive of much of its value. European companies cannot afford legal uncertainty. Protecting national markets and disregarding the free movement of persons, services, goods and capital enshrined in the EU treaty will backfire. UNICE calls for a removal of obstacles to the Internal Market. The European Commission must also take strong action against Member States which infringe existing Internal Market directives.

Cross-border infrastructures in transport, telecoms and energy are essential to turn the Internal Market into a reality and should remain a priority in terms of financial allocation, also in collaboration with the private sector.

STRENGTHEN THE LINK BETWEEN RESEARCH AND INNOVATION

More private involvement and more efficiency in public research is needed in order to solve the "European Paradox" that Europe is world-class in research but only second-class in innovation. We expect the EU funding programmes for research and innovation to be focused on this objective. Member States should redeploy state aid so that the share allocated to research and innovation is doubled.



DEVISE A EUROPEAN ENERGY STRATEGY

Current provisions of the EU Treaty must be used to develop a European policy that promotes closer cooperation between Member States to ensure security of energy supply, and establishes competition on open and interconnected energy markets, enabling consumers and companies to benefit from the most competitive prices possible. The climate impact of energy production and use should be controlled in a way that safeguards European competitiveness.

A truly liberalised European energy market must be established without delay. This should result in a level playing field where reciprocity between Member States' legislation is guaranteed.

UNLOCK EUROPE'S SME POTENTIAL

Fostering the creation and growth of innovative SMEs is the best recipe for sustainable jobs. All Member States should commit to further unlocking business potential, e.g. by reducing the time to start a business in their country to less than one week by 2007. A broad programme on Better Regulation must be pursued, achieving concrete simplification of EU and national regulation, and assessing the impact of legislative proposals on European competitiveness.

IMPROVE PEOPLE'S EMPLOYMENT OPPORTUNITIES

The EU needs to move towards a job creation mindset and promote a positive attitude to change. Member States must inject more flexibility into their labour markets. Efforts to invest in skills development rather than in passive income support must be pursued. Recruitment must be facilitated by cutting down on red tape.

SUPPORTED BY PRESIDENTS OF ALL MEMBER FEDERATIONS

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Belgium

Byron Kranidiotis - OEB
Cyprus

Jaroslav Mil - SP
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