

BUSINESSEUROPE



Conference
Report on Lisbon Strategy for 2009
Prospects for 2010

16 March 2010

*Combining Growth
and Fiscal Sustainability*

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Getting Member States more involved

- National ownership and accountability running low
- Growth bottlenecks mainly at national level
- State of public finances very worrying

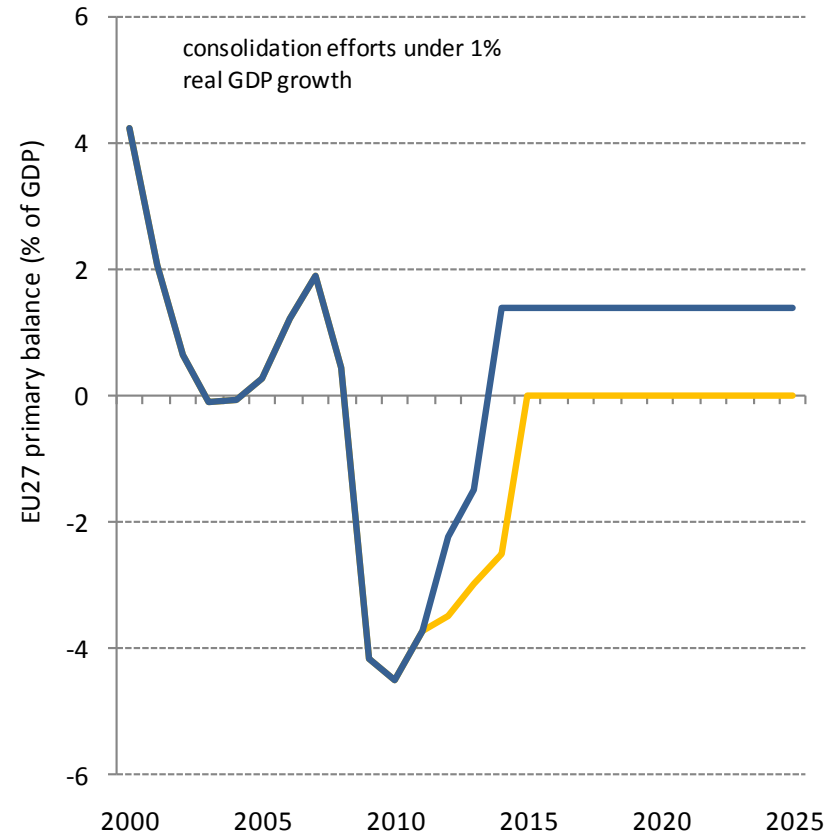
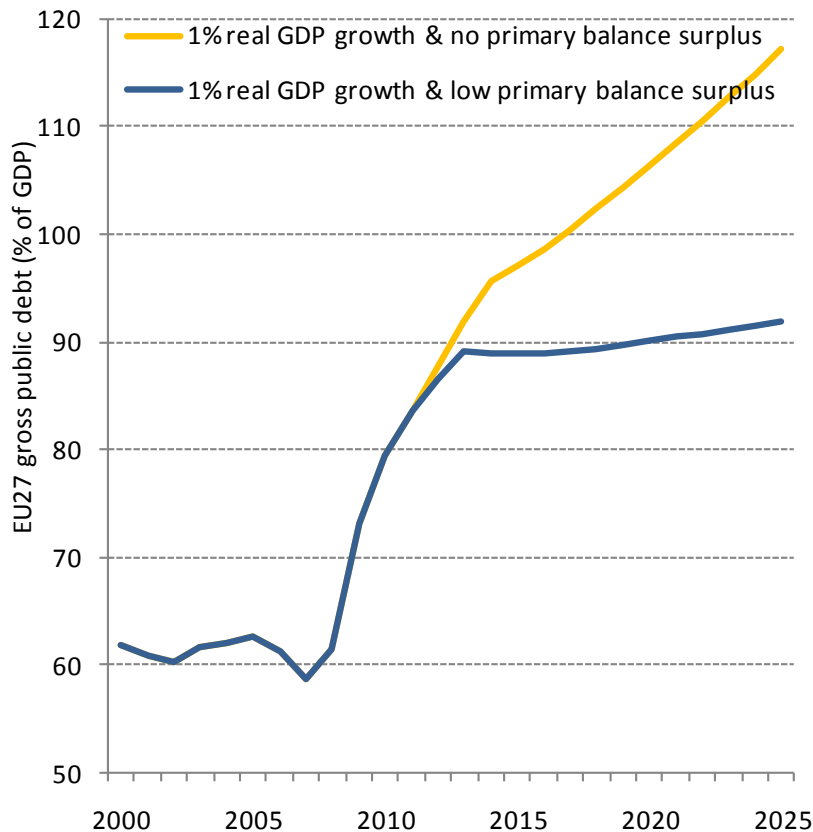
=> Reinforce the drive towards reforms and fiscal discipline at national level

Reform priorities identified by **BUSINESSEUROPE** members

	Priorities
1	Orientation and sustainability of public finances
2	Financial markets and access to finance
3	Education and lifelong learning
4	Sector-specific regulation
5	R&D and innovation

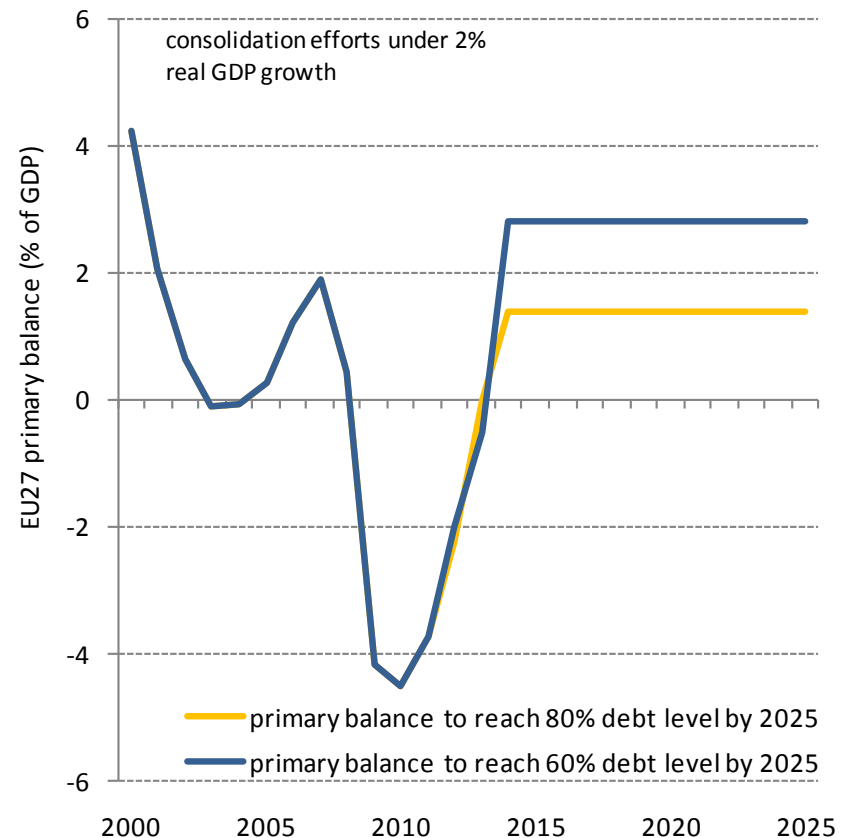
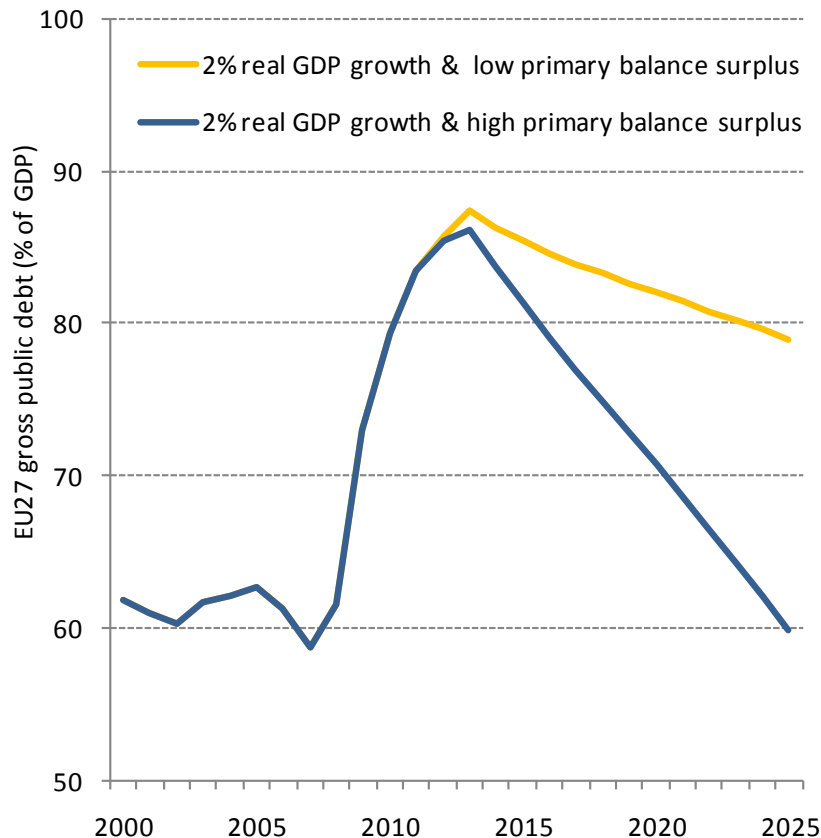
Source: **BUSINESSEUROPE**

I. weak growth, insufficient consolidation



Source: BUSINESSEUROPE based on European Commission (AMECO) and calculations of Federation of Austrian Industries (IV)

II. sustained growth, sufficient consolidation



Source: BUSINESSEUROPE based on European Commission (AMECO) and calculations of Federation of Austrian Industries (IV)

The way forward – a two-pillar strategy

1. Exit strategy: credible targets, expenditures cuts and social system reforms

- Tighter fiscal rules and institutions
- Greater efficiency of public administrations and credible cost-cutting measures
- Increased scope for public-private partnership
- Reforms of pension and healthcare systems

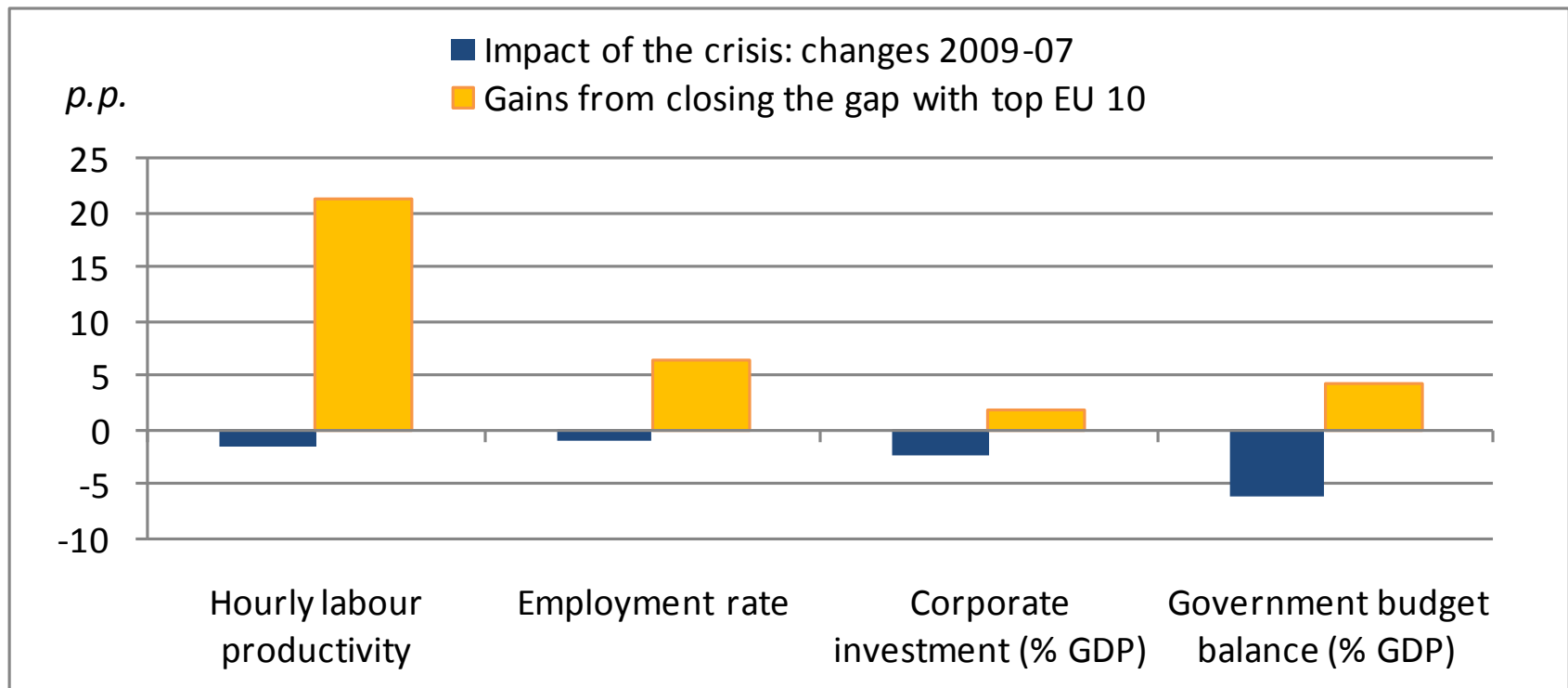
The way forward – a two-pillar strategy

2. Entry strategy: growth-enhancing investment and tax reforms

- Higher return on education and training
- More and better targeted efforts in R&D and innovation
- Need to prioritise infrastructure investments
- Growth-enhancing tax reforms

“Benchmarking our way out of the crisis”

Chart 1: impact of the crisis vs. gains of reforms in the EU



Source: BUSINESSEUROPE based on European Commission, AMECO database

Country positions in our Spring 2010 Reform Barometer

Table 2: Overall assessment based on selected indicators in 2009

<p>Above average</p>	<p>AUSTRIA CYPRUS CZECH REPUBLIC DENMARK FINLAND GERMANY LUXEMBOURG NETHERLANDS NORWAY POLAND SLOVAKIA SWEDEN SWITZERLAND</p> <p>BUT LOSING GROUND: IRELAND, SLOVENIA</p>
<p>Below average</p>	<p>BUT SHOWING GREATER RESILIENCE: BULGARIA, HUNGARY, FRANCE</p> <p>BELGIUM ESTONIA GREECE ITALY LATVIA LITHUANIA MALTA PORTUGAL ROMANIA SPAIN UNITED KINGDOM</p>

Source: BUSINESSEUROPE based on European Commission, AMECO database

The targets for the new EU strategy

- Double Europe's growth potential (at least 2% by 2014);
- Employment rate: 70% by 2014, 75% by 2020;
- R&D spending: 3% of GDP;
- Clear timeframe to bring public debt back to 60% of GDP;
- Greater link between fiscal consolidation and structural reforms;
- Develop a true benchmarking culture and avoid complacency