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Introductory remarks

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Introductory remarks

- First of all, I would like to thank President Gattaz and MEDEF for the invitation to speak in this “Plénière exceptionnelle” with Commissioner Barnier.
- Having special plenary on Europe during an afternoon devoted to discussions on how to ensure that France wins, shows how much Europe matters for French business.
- BUSINESSEUROPE speaks on behalf of more than 20 million small, medium and large companies from all sectors of activity, employing some 120 million workers in 35 European countries.
- We see very different starting points in each of these countries when it comes to competitiveness, growth and employment. But all our members are absolutely convinced that together, we are stronger and BUSINESSEUROPE strongly supports the development of the European Union.
- France alone accounts for around 4% of the world GDP. With the European Union, it multiplies its leverage power in the global economy by 5 (the EU delivers a quarter of world GDP).
- Because of the global financial crisis and of the sovereign debt crisis in the Euro area, during the last 5 years, Europe has essentially focused on a “defensive” or “reactive” agenda. This was necessary and has brought badly needed economic stabilisation.
- Whilst Europe has been busy repairing the holes in our economic system, the rest of the world has not stood still. Our trading partners have made structural reforms. They have invested in infrastructure, machinery, skills and innovation. In other words, they have worked to improve their competitiveness.

- If we want to have more growth and create more jobs and reduce unemployment, a reactive agenda is not enough. European policies must become much more proactive. The next plenary session is called “France back in the offensive”. This recommendation applies to all the European Union.
- Being offensive economically is not in contradiction with the peace values of the European Union. On the contrary, economic ambitions are the cement between Member States. And enhanced growth will alleviate the tensions which have appeared among Member States as a consequence of the crisis.
- The pro-active agenda we need to develop must focus on measures that will allow companies to be competitive, to grow and invest in Europe and employ more people.
- The “Marcegaglia Group” has 50 manufacturing plants all over the world. We have a strong presence in Europe, in different European Union countries, including in Lyon (France). And I can tell you from personal experience that Europe does not always have the “easiest” business environment *[add personal example]*.
- Europe has a lot to offer. Many entrepreneurs are keen to develop its potential. But we must urgently work on 4 key priority-areas if we want this potential to materialize in practice.
 1. **Access to finance for companies:** This is the basis of any economic activity. Difficult access to finance is a serious bottleneck to growth. It must be addressed if we want economic development and job creation. Creating a real banking union is also part of the answer to this problem.
 2. **Structural reforms:** companies need both growth and sound public finances to invest and create jobs. There is no contradiction between growth and fiscal consolidation when the right structural measures are taken!
 3. **Industrial policy:** Related to each job in manufacturing industry, there are at least 2 high quality services jobs. Re-industrialising Europe is therefore of strategic importance.

The European Union has a goal: to have 20% of its GDP generated by industry by 2020. We have a European stability pact. We have a European growth compact. We now need an industrial compact with concrete measures to refocus European policies on improving our industrial competitiveness.

This compact must send a clear signal to investors that Europe

stops regulating itself to death and moves away from badly designed environmental, climate and energy policies. It must be backed by smart public investment. We must stop wasting scarce public money to protect jobs of the past and invest instead in supporting innovation because this leads to jobs with a real future.

4. **The Single Market**: The Single Market (flanked by an ambitious international trade agenda to create market opportunities for European products and services throughout the world) is an extremely powerful engine of growth and job creation. We must further develop it. And to do so, we must look at the entire European Union as our home-market (rather than seeing investment in other Member States as a threat).

BUSINESSEUROPE fully supports the objectives pursued by Commissioner Barnier. We agree that well-functioning markets require regulations. We understand the need for some new rules to avoid a repetition of the financial crisis.

But over-regulation hinders economic activity. The real answer lies in better implementing existing European rules and convincing Member States to remove unnecessary constraints on business (sometimes added when transposing EU directives into national law!). And we must take into account the cumulative effect of regulations!

To conclude, the crisis forced us to tackle mismanagement in government finances and financial institutions (and the work to do so is not finished). We must make more efforts to implement growth enhancing reforms. The window of opportunity to act is narrow (before the European elections in May 2014). There is no time to loose if we want to see results on the 4 priorities I have just highlighted. “Business as usual” is simply not an option if we want more growth and more jobs for European citizens.