



20 March 2014

*****CHECK AGAINST DELIVERY*****

TRIPARTITE SOCIAL SUMMIT

SPEECH BY EMMA MARCEGAGLIA PRESIDENT OF BUSINESSEUROPE

Dear President Barroso,
Dear President Van Rompuy,
Dear Prime Minister Samaras,
Dear Ministers,
Ladies and gentlemen,

Today, the European Council will discuss essential issues for the future of Europe. Unfortunately, the crisis in Ukraine has given us an extra challenge, in addition to industrial competitiveness, the 2030 energy and climate policy framework, and the progress made in national reforms.

The European economy is starting to recover. The efforts of the last years are starting to pay off. But unlike Japan or the US, the EU is still to see its economy return to pre-crisis levels. And while we were focusing on our internal problems, our competitors have not stood still.

We are walking when the rest of the world is running!

The EU's share in global foreign direct investment fell by 40% between 2000 and 2012. We are losing ground on global markets and suffer from persistent unemployment because of excessive taxation and regulation, constrained access to finances, too high energy prices, insufficient innovation, inadequate education and training and remaining labour markets rigidities.

Urgent action is required to improve European competitiveness. The reform objectives set out in the EU country specific recommendations focus on the right issues but they are poorly implemented.



BUSINESSEUROPE's 2014 reform barometer shows that only 23% of the 150 recommendations made have been well implemented according to our member federations.

Between 2000 and 2012, the EU share of world manufacturing value added has declined by 6 percentage points, while Asian emerging market economies increased their share by 17 percentage points. This is a major concern for the 52 million people whose job depends directly or indirectly from manufacturing activity in Europe.

All EU institutions and all decision-making levels must be mobilised to deliver framework conditions that will encourage industrial investment in Europe. The game changers for industrial growth and employment are described in the second document I want to flag out today: BUSINESSEUROPE's recommendations for an industrial compact.

Most of you already know this document, which was at the centre of discussions during the BUSINESSEUROPE day but there are three issues on which we need clear signals from this European Council meeting that I want to flag out.

Firstly, access to finance. In 2013, euro area loans to non-financial corporations fell by 192 billion euros (4.5%). This cannot go on. We must urgently put in place a full banking union.

BUSINESSEUROPE always argued for a clearer and more efficient decision making procedure on bank resolution. If the price to get an agreement is a step towards the European Parliament on this point, we would encourage the Council to move in that direction.

Secondly, energy and climate policy. The European Council must truly put cost competitiveness, security of supply and climate objectives on an equal footing and define a clear strategy to avoid "investment leakage".

And for us this means in particular a single greenhouse gas emissions reduction target post-2020, with clear conditionality to the completion of an international agreement in Paris in 2015.

Thirdly, industrial governance. If we want to achieve real prioritisation of industrial competitiveness in all policy areas, we need a new European industrial governance, where Heads of State or Government give a clear sense of direction and monitor progress on a yearly basis;



Where a permanent Industrial Competitiveness Coordination Group in the Commission ensures that industrial competitiveness is systematically taken into account;

Where the Competitiveness Council becomes a much more active guardian of European competitiveness.

The recent Commission communication taking stock of the Europe 2020 strategy paints a clear picture: Europe is achieving its climate and environmental objectives but is missing its economic and labour market goals.

The crisis had an impact but we cannot hide behind this excuse and continue to walk when the rest of the world is running.

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