BUSINESSEUROPE

SPEECH

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TRIPARTITE SOCIAL SUMMIT

"STIMULATING INVESTMENTS TO CREATE MORE JOBS"
'DELIVERING ON THE EUROPE 2020 STRATEGY'

ADDRESS BY EMMA MARCEGAGLIA, PRESIDENT OF BUSINESSEUROPE

Dear Minister Poletti,
Dear President Van Rompuy,
Dear President Barroso,

First of all, I would like to express my gratitude to both of you, Presidents Barroso and Van Rompuy. This is the last Tripartite Social Summit under your chairmanship. The work you both did during five very difficult years is tremendous. Thank you for this.

European investment decreased by almost 15% since the beginning of the crisis. You invited us today to discuss how to stimulate private and public investment in order to create more jobs and deliver the Europe 2020 strategy.

Jobs are primarily created by enterprises. We all know that the desired increase in investment will have to come mainly from private sources. Putting in place a supportive business environment is therefore essential.

The EU's share of worldwide foreign direct investment fell to 24% in 2012 compared with 40% in 2000. This is a clear sign of declining competitiveness.

And it is this decline in competitiveness, which is the cause of unemployment, not a deficit of social policy!

Improving competitiveness must therefore be the main goal of all EU policies during the next five years.

Urgent action is needed. The recovery is losing momentum. Without further reforms, weak investment will continue.

Many reform measures are of national competence. Member States have a crucial role to play. But coordination at EU level is also key.

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Over the years, the Europe 2020 strategy has been over-loaded. It must be re-focused on growth and employment and the country specific recommendations must be much better implemented.

Single Market development is another powerful tool to boost job creating investment. We must tackle legal fragmentation and remaining obstacles to cross-border business in the EU. This does not necessarily mean new legislation. Very often, the answer lies in better implementation of existing rules.

Access to finance at affordable prices remains an immediate concern, especially for SMEs. We must implement the Banking Union and at the same time, develop a real Financial Market Union with alternative sources of finance to decrease dependency on bank lending.

I hear what trade unions say about public investment; and partly share their concern. EU public investment is less than 5% of overall public expenditure (compared with over 10% in the US). We must not only boost private investment. Optimising public investment is also key.

At European level, priority must be given to investing in broadband, energy network interconnection and missing links in transport in order to reduce fragmentation in the Single Market.

In some Member States, there is room to do more and our members clearly asked for more investment. But even in countries facing constrains, public investment can still be optimised by cutting expenditure in unproductive areas and re-directing means towards it.

Yes, the existing flexibility in the stability and growth pact must and can be used. But this has to be done without undermining fiscal consolidation.

Ladies and gentlemen,

Companies' investment decisions are first and foremost determined by market prospects and one European job out of ten depends on exports. There is huge European employment potential in trade development. Hence the importance of concluding an ambitious Transatlantic Trade and Investment Partnership (TTIP), with an improved Investors' State Dispute Settlement (ISDS)!

The same is true for the agreement with Canada. Trying to turn the clock back on issues which were part of Europe's negotiating mandate at this stage would not only put at risk the overall agreement. It would also undermine the credibility of the EU as a reliable partner and is therefore irresponsible.

My last message is about energy and climate change. We said it in the letter that we have sent you last week. The EU Council decisions can be a game changer, provided that the EU aligns climate objectives with its industrial growth ambitions.

Three aspects are key for BUSINESSEUROPE:

1. Moving away from the three overlapping targets.
2. Agreeing on a GHG emissions reduction target for 2030, in line with the commitments of other major economies. This means that the proposed minus 40% target must be re-assessed after COP21 in Paris.
3. Having a fully-fledged reform of the EU Emissions Trading system (ETS) post-2020, including an improved protection against carbon leakage covering both direct and indirect costs.

Ladies and gentlemen,

The only viable way to reduce unemployment is to boost investment and growth through structural reforms. The experience of countries that managed to create a virtuous circle between improved competitiveness, higher growth and more job creation proves it: competitiveness is the best friend of employment and the welfare state.

Thank you for your attention.

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