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Speech

***** Check against delivery *****

Tripartite Social Summit on 14 October

***Implementing together an inclusive economic and social
recovery in Europe***

OPENING ADDRESS BY

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Dear President Michel,

Dear President Von der Leyen,

Dear Prime Minister Merkel,

Dear Executive Vice-President Dombrovskis,

Dear Commissioner Schmit,

We are gathered today to discuss how to deliver together a successful European recovery.

The political agreement reached by the European Council on the next Generation EU recovery plan is a fantastic achievement. Finalizing the legal texts needed to translate this political agreement into real actions is more necessary than ever.

Our economies are gradually recovering from the severe output falls seen in the spring. However, a full recovery will only be possible once 3 conditions are met:

1. Condition n°1: all sectors are able to resume activity as usual,
2. Condition n°2: uncertainty is reduced and trust is back,
3. Condition n°3: businesses once again have the confidence and finances to invest.

I have for you today the following **nine key messages on how to bring about such a successful recovery:**

1. **Message N°1: Financial support must reach companies and workers rapidly.** Delays in the implementation of the European recovery plan agreed by the European Council in July 2020 would send a very bad signal to the public and must be avoided.
2. **Message N°2: The money must be well spent.** The unprecedented means to be mobilised for Europe's recovery must enhance Europe's long-term capacity to generate growth and employment and be part of an overall effort to step up structural reforms.

3. **Message N°3: the Green Deal must become a real growth driver.** BusinessEurope is concerned that the Commission's own impact assessment shows that there is practically no additional growth with the more ambitious climate targets for 2030. Our climate ambitions will need to be accompanied by a strong business plan, a plan that preserves European competitiveness and avoids carbon leakage to other world regions. This clearly demonstrates that the work to really transform the green deal into a growth strategy still very much lies ahead of us and that the European approach to growth also needs to go beyond the green deal.

4. **Message N°4: we need a credible future industrial strategy to mobilise the necessary investments** in green technologies. Otherwise we will not become climate-neutral in a cost-effective way. And we will not be able to ensure there is enough affordable green energy available.

5. **Message N°5: to accelerate its digital transition** the EU must create the conditions for the safe deployment of new technology such as AI and 5G. It must facilitate the development of the industrial data economy. It must develop digital skills and incentivise voluntary data sharing through collaborative European data spaces. SMEs and workers alike will require high-class, cybersecure 5G connectivity that is spread widely.

6. **Message N°6: long-term debt financing and equity investment is essential for companies access to finance.** Recent changes to prudential rules have increased the cost of capital in a context of a low profitability of EU banks. This is bad for lending conditions in the market. Prudential rules for the financial sector should strike the right balance between ensuring financial stability and supporting companies' financing needs for investment and business activities. We need a tailored transposition of the latest Basel agreement in order to avoid that future changes to the capital requirement rules put EU firms at a competitive disadvantage.
7. **Message N°7: All the barriers that weigh on the development of our Single Market need to be teared down.** Member States must of course restore all freedoms of movement to pre-COVID conditions as soon as possible. But this will not be enough. The EU must also tackle long-standing obstacles standing in the way of cross-border activities. And it must remedy the intrusive approach to European standardisation the Commission has applied over the last two years. This has lead to a blockage of this important pillar of the Single Market. And in the meantime, a more harmonised approach to precautionary restrictions taken by member states to mitigate COVID-19 risks is urgently needed.

8. **Message N°8: respecting the autonomy of social partners regarding wage setting is key.** The Commission will soon propose an EU initiative on minimum wages. We urge the Commission to fully respect national competences in this field. For us, this means that the EU cannot go beyond a Council recommendation. And the drafting of such a text should be the result of a quadripartite exercise involving the Commission, the Council and the social partners.
9. **Message N°9: Europe needs to stay open to the world** while being less naive and improving its own enforcement instruments. And Europe must continue to have an ambitious trade and investment agenda including the ratification of already concluded agreements like Mercosur.

Let me reiterate that concerning the post-Brexit negotiations we are increasingly concerned about the possibility of a no-deal at the end of the year which would be extremely harmful for companies already struggling with the Covid-19 crisis. We urge all involved sides to come to a deal. Even a basic deal, as long as it respects the level playing field requirements, is better than a no-deal.

We are committed to working with you for an inclusive European recovery. Like you, we want the unprecedented financial support from the EU to lead to the necessary and economically successful transformations, in particular regarding digitalisation and climate neutrality. But we urge the EU to take a broad approach when implementing its growth strategy. And some of the messages I just gave you show that a lot must still be done to ensure that all EU proposals genuinely contribute to enhancing growth and employment in all member states.