



SPEECH

CHECK AGAINST DELIVERY

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How to achieve a fair and sustainable recovery in Europe

ADDRESS BY

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Dear President Michel,
Dear President Von der Leyen,
Dear Prime Minister Costa,
Dear Executive Vice-President Dombrovskis,
Dear Commissioner Schmit,

We are gathered today to discuss how to achieve a fair and sustainable recovery in Europe.

Faced with the worst economic crisis since the second world war, the European Union has mobilised unprecedented financial resources. Now is the time to make the next steps to pave the way to a solid recovery.

Steps which build long-term competitiveness and empower companies to engage in a growth and employment intensive green and digital transition.

Enterprises are key to achieve Europe's ambitions. Based on signals received from members, BusinessEurope has to issue a wake-up call: companies cannot absorb additional burden on top of the crisis!

Already before the crisis, not enough attention was paid to the economic side of the agenda at EU level. Correcting this has become a question of survival.

The EU Recovery and Resilience Facility offers a once-in-a-generation opportunity to transform our economies by boosting productivity, growth and competitiveness. To make sure we make optimal use of these funds, the EU must **focus on three priorities:**



- Priority n°1: putting in place a well-articulated European economic agenda,
- Priority n°2: pursuing effective better regulation policies,
- Priority n°3: accelerating roll out of vaccines and minimizing restrictions at internal borders within our Single Market.

Six actions are essential to have a well-articulated European economic agenda:

- Action n°1: ensuring that **EU recovery funds bring real additional investment**,
- Action n°2: creating a **scoreboard benchmarking the use of EU recovery funds** by member states to monitor to what extent they contribute to increasing growth and employment over the long-run.;
- Action n°3: taking a **business-friendly approach to the green transition**,—underpinning the **Green Deal** with a credible industrial strategy to turn it into a real growth driver;
- Action n°4: accelerating the **digital transition** and acknowledging the progress that the OECD is making to addressing the tax challenges of the digitalised economy at the OECD rather than rushing with an EU digital levy;
- Action n°5: taking an **employment friendly approach to social policy**, encouraging skills-related investments in national recovery and resilience plans and ensuring that the European pillar of social rights does not lead to additional costs and obligations that will undermine the recovery;
- Action n°6: pursuing an ambitious **trade policy**, resetting the partnership with the US, rebalancing the relationship with China, ensuring ratification of concluded agreements such as Mercosur and facilitating implementation of the agreement with the UK.

Concerning our second priority, better regulation, I have 1 key message.

Good regulation is a cost-efficient way of supporting the recovery. We are deeply concerned by the content of some EU proposals. Business suggestions on how to achieve EU policy goals without over-regulation must be better taken into account.

Let me give you 3 concrete examples:

- Example n°1, due diligence: we understand the importance of addressing risks that can occur in supply chains. But companies cannot be made responsible for what is out of their control. Future EU rules must be based on an obligation of means rather than an obligation of results.



If the balance is not there, the risk is that European companies simply disengage from some markets, leaving the field to global competitors.

- Example n°2, sustainable finance: a well-designed Taxonomy Regulation can be a good tool to support the green transition. But if taxonomy turns into a threat for access to finance for companies, focusing on a “green niche” rather than enabling transition of the whole economy, the recovery will be undermined. And we will not reach our environmental goals.
- Example n°3, pay transparency: we fully support the objective of fighting pay discrimination. Reasonable requirements on pay transparency can be part of the answer. However, the Commission proposal is producing unnecessary red tape and undermining the possibility to determine pay in accordance with performance.

My last remark is about vaccines and covid related restrictions.

We urge member states to work hand-in-hand with the Commission to:

1. avoid unilateral restrictions to free movement: keeping the borders open and putting in place efficient green lanes when border-checks cannot be avoided is essential to preserve the Single Market.
2. facilitate vaccine production and accelerate its roll out throughout the European Union, without disrupting international vaccine supply chains.
3. deliver an EU-wide vaccine, test and immunity certificate before the summer, based on the proposal for a digital green certificate. There is no time to waste. Building an inter-operable system which does not stop at national borders takes time!
4. acknowledge that effective intellectual property protection is in the interest of society as a whole because it is indispensable for innovation as well as for the safe deployment of vaccines!

Ladies and gentlemen, shortly before the start of the pandemic, BusinessEurope proposed an agenda for the EU in 2019-2024. It rested on 3 pillars - prosperity, people and the planet.

We remain fully committed to this agenda but the measures taken must factor in the dramatic effects of the crisis.

Having a strong economy is the basis to build a fair and sustainable Europe. We count on you to find good and cost-effective ways of delivering the recovery as well as the green and digital transition.

And you can count on us to work constructively with you in this difficult task.

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