

Picture a Global Europe

The business community's vision for the EU Message to the next European Parliament, 2014-2019

Europe is at a turning point

Europe has come through five difficult years when crisis management has been top of the political agenda. Millions of working age EU citizens have lost their jobs. Companies have closed and those that remain in business are operating in difficult market conditions. Because of the crisis, Europe's politicians have focused internally, working at national and European levels to bring stability and save the Euro. For five years, they have looked inward. But there is light on the horizon and, with decisive action to enhance growth, European policy makers can secure a prosperous future for citizens if they create a business environment where companies can thrive and become more competitive on global markets.

Europe is at a turning point. The efforts made in the aftermath of the crisis are starting to pay off, however, unemployment – especially youth unemployment – remains at an unacceptably high level. Restoring competitiveness is key. But if necessary policy changes are not made, we will continue to fall behind in the global economy. Therefore, we urge policy-makers to make competitiveness the overarching policy goal for the next political cycle. Europe can make it if the right policy choices are made. We have a real chance to regain lost ground, provided we do not repeat past mistakes that brought us where we are.

In this document, BUSINESSEUROPE therefore paints a positive picture of what is possible if the EU takes a different, more outward looking approach to policy-making in the five years ahead. We envisage a scenario where a newly competitive Europe is capable of reclaiming its place on the global stage, with business creating jobs and growth and citizens experiencing the benefits. We offer a vision to European Parliament candidates of what could be achieved as we move towards 2019. But we must see the urgency and take resolute action without delay, at European and at national level, to make this vision take shape.

The EU, through the single market in particular, already adds at least 5% on average annually to the GDP of member states. This translates to an average benefit of over €1,250 a year to every EU citizen. We can build on this if we act quickly and make the policy changes that will move us forward.

Turning from internal to external challenges

Now is the time for the EU to look outward. In 2014, economic growth is slowly returning to many European countries and it seems that the worst is behind us. Still, this is not the time for complacency. While the EU has been steadying its ship, other parts of the world have forged ahead economically and will



continue to grow and flourish in the five years to 2019. It's now time for Europe to regain its position on the world stage, confidently competing with international partners and offering prosperity to its citizens. Now is the time for a global Europe.

A sense of potential...

At the end of the next five year political cycle, the EU will likely only be the third largest world economy after the United States and China. The EU must therefore raise its level of ambition if it is to renew its position as a global player of substance. It must build on its core strengths and optimise its place in global supply chains. Official estimates suggest the EU will grow at between 1 and 2% annually in the years to 2019. But if member states put in place structural reforms that reflect European best practice, winning the global competition for investment, annual growth can potentially reach above 3%. If the EU institutions pursue the right policies, we can be more optimistic about our prospects. We can - and must - close the gap with competitor economies and provide quality employment opportunities, welfare and services to all EU citizens.

A sense of ambition...

In an ambitious scenario, where we realise our full growth potential of over 3%, the EU can add 1.4 million jobs a year to 2019. A more competitive economy can enhance inward investment. 20 million European jobs, or one in every ten, already depend on EU exports according to the Commission, and this is a base to build on. The EU can and should remain the world's largest exporter of manufactured goods and its reputation as a hub of research and innovation can be cemented. Business and citizens can prosper and the EU can be positioned at the heart of a vibrant global economy. A sense of confidence can help sustain a unique and vibrant EU-wide economy and society.

The business community is committed to delivering a globally competitive Europe to boost growth and job creation... We call on the EU policy community to put in place the necessary framework to make this happen.



Emma Marcegaglia
President



Markus J. Beyrer
Director General



Picture a Powered Europe

WHERE...

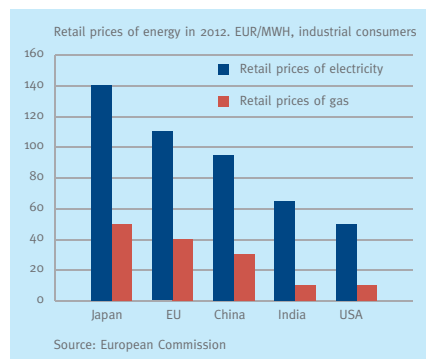
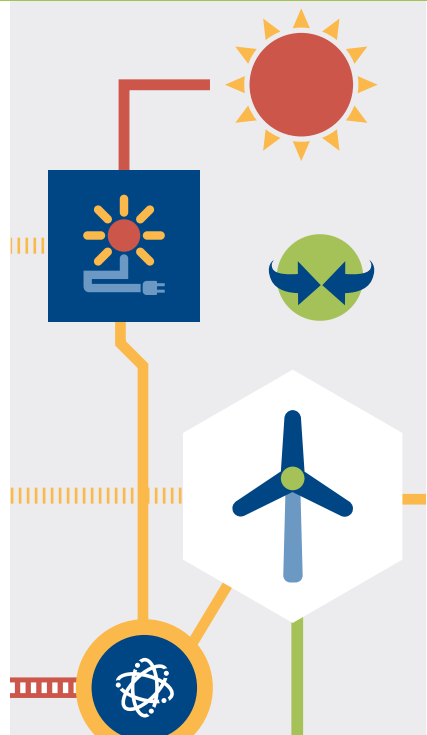
EU energy prices become significantly more competitive

EU sets realistic and achievable climate change targets

THIS MEANS...

During the next five years, the EU must effectively resolve the challenge of high energy prices. The cost of energy must be brought back in line with our major competitors like the United States, where shale gas continues to drive prices lower. Supply security must become less of a concern and the EU energy market must become more interconnected, to balance production and consumption of energy and encourage competition.

EU leaders must set a climate target that makes sense for the continent as part of a global framework to address climate change, and without undermining European competitiveness. The European Union cannot be a lone front runner. It must take account of the results of international climate negotiations to set the right level for its greenhouse gas emissions reduction ambitions.





Picture an Innovative Europe

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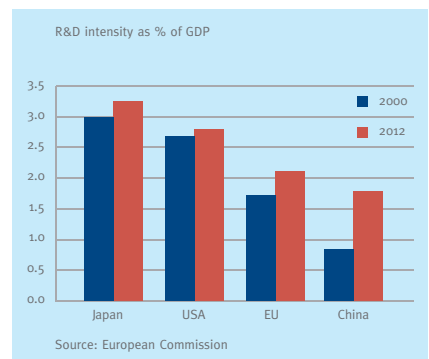
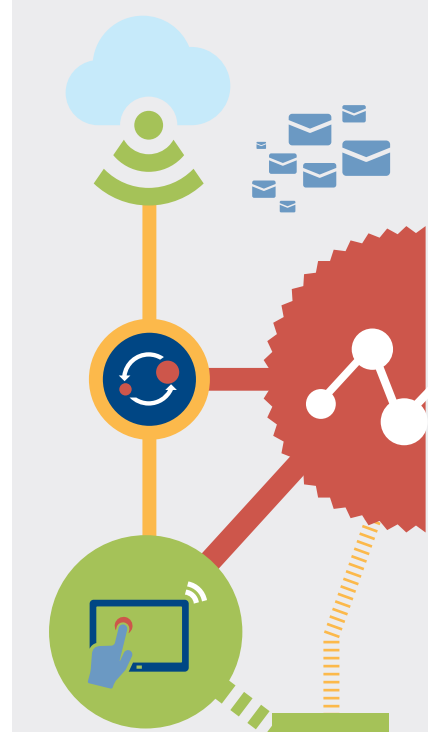
EU research investment reaches a minimum of 3% of GDP

EU digitalisation accelerates to world-beating levels

THIS MEANS...

Once the cradle of technological, economic and social innovation, Europe is now lagging behind. In the digital area for example, Europe has dropped from world leader to second tier player in only a few years. During the next five years, the EU must regain lost ground. European industry must be at the forefront of a new digital revolution, which will profoundly transform its manufacturing and services sectors, and boost data driven innovation, which adds billions of Euro to GDP. To take advantage of the opportunities provided by cloud computing, data analytics and machine to machine technologies, the EU must have a regulatory framework that stimulates innovation and ICT investment throughout the economy.

The EU's re-established role as a global innovator will trigger a virtuous circle of productivity gains, growth and job creation. Commercialisation of innovation will also increase as product solutions are developed across the continent in line with increased investment in research and development and the protection of intellectual property rights. Europe's business and citizens can work and live in a much more dynamic, technology driven world region.





Picture a Competitive Europe

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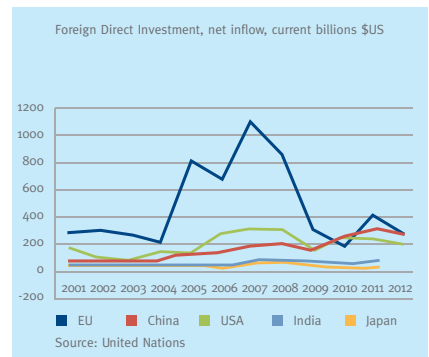
EU regains lost competitiveness and attracts new jobs and investment

EU accounts for a growing share of exports from developed countries

THIS MEANS...

During the next five years, the EU must significantly improve its competitiveness, and hold its own against both developed and emerging economic blocs around the world. European products and services must become increasingly sought after on world markets, serving the needs of a growing and increasingly prosperous global population.

The EU can remain the world's largest exporter of manufactured products if industrial competitiveness improves and industry reaches 20% of GDP. This requires better industrial governance in all EU institutions to ensure that competitiveness is a priority and main objective in all policies. Jobs and investment lost to other world regions can be re-shored to Europe, if the right investment conditions are put in place. This requires reductions in both the tax and regulatory burdens across the EU, as national governments improve the stability of their public finances and introduce growth enhancing structural reforms. Business and citizens will benefit from increased inward investment in Europe and from European companies' ability to win global market share.





Picture a Talented Europe

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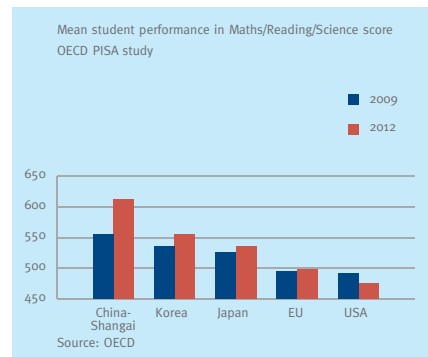
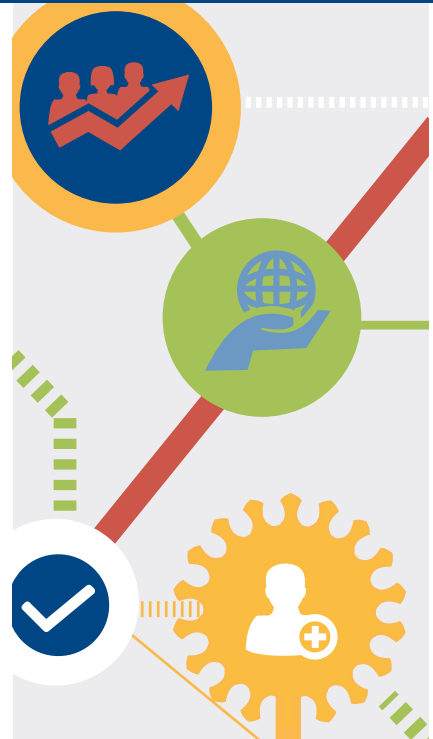
EU develops the world's most dynamic, skilled and internally-mobile workforce

EU adds at least 1.4million jobs each year and responds to social challenges

THIS MEANS...

During the next five years, the EU must complete the labour market reforms needed to encourage employment and productivity growth. Europeans need open, dynamic labour markets supported by much greater employment flexibility, employee mobility and cooperation between national administrations. Tax and benefit systems must be modernised to eradicate unemployment traps and better support citizens to find rewarding work.

A renewed focus on education, training and work-based learning must ensure that citizens, especially young Europeans, have the skills needed to match companies' needs in expanding fields like industry, data and technology. Responsive, affordable social protection systems are part of the solution, and pension systems must be financially viable to ensure fairness between generations and support a growing older population. Europe's business and citizens will benefit from this new employment environment where up to 1.4 million jobs are added each year.





Picture a Unified Europe

WHERE...

EU single market develops further to enhance growth

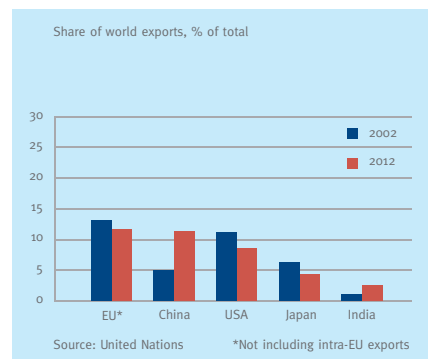
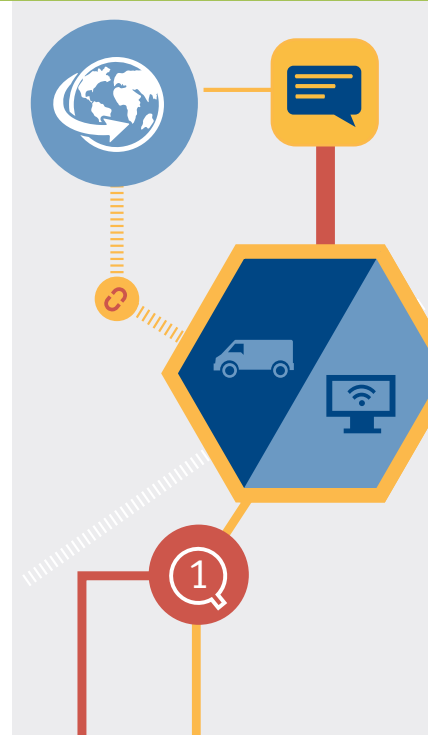
EU progresses an ambitious international trade agenda

THIS MEANS...

During the next five years, the single market must develop to enhance both internal and external trade. EU funding must be directed into competitiveness enhancing investment such as cross-border energy, transport and digital infrastructure, enabling cooperation between countries, supply chain integration and enhanced internal EU trade.

Single market rules must be better enforced to create market opportunities for companies in all sectors. Using the platform of a strengthened single market, the EU must accelerate its external trade agenda in a spirit of reciprocity. This means concluding an ambitious trade partnership with the United States (TTIP), offering huge opportunity in terms of growth and job creation on both sides of the Atlantic.

A trade deal giving greater access to the Japanese market should also be concluded, and the EU needs to explore further trade possibilities with emerging economies in Asia, South America and other regions.





Picture a Resilient Europe

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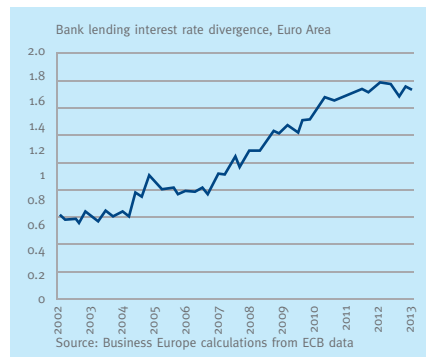
EU completes the banking union, restoring access to credit at affordable prices across Europe

EU public debt average falls below 80% GDP, reducing the burden on the shoulders of future generations

THIS MEANS...

During the next five years, the EU must move beyond the financial crisis and make huge strides to protect itself against future financial and economic shocks. The banking union must be completed in a reinforced Economic and Monetary Union, and the European financial sector must be in robust health and less fragmented. Access to credit for companies must improve, as investment increases in line with regained confidence.

Alternative sources of company finance, such as venture capital, should be more widely available to decrease dependence on traditional bank lending. Governments across the EU must come to grips with their public finance challenges and divergences between national economies across the continent must decrease. With falling public debt, stability of the EU and market confidence will be further strengthened. Business and citizens will benefit from a stable economic environment and invest more confidently for the future.





Picture an Entrepreneurial Europe

WHERE...

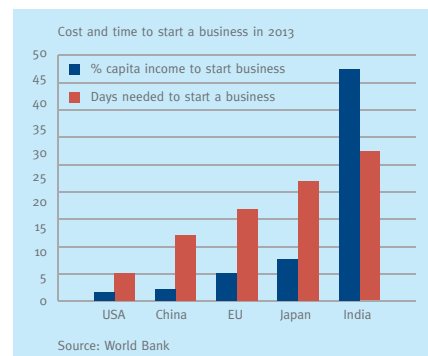
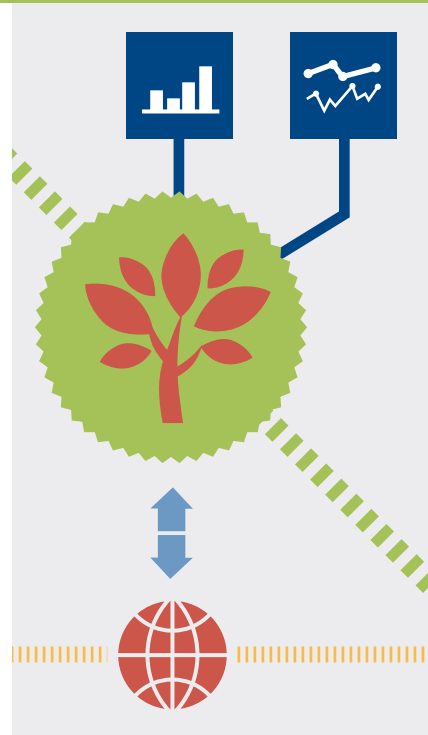
EU becomes best global bloc in which to start, operate and grow a business

EU takes a smarter approach to regulation, enhancing growth and investment

THIS MEANS...

During the next five years, the EU must become widely recognised as the best location in which to do business worldwide. SMEs and start-ups must thrive, supported by a healthier investment environment and increased consumer demand. Inward investment to the EU in areas like innovation needs to be substantial and the regulatory burden on business across Europe has to be tangibly reduced.

More EU countries must move up the World Bank rankings for ease of doing business so that the regional average outstrips its current position of 38 out of 183 countries tracked worldwide. The average cost of starting a business in the EU, currently almost double that of the US, must be reduced. This requires a sharp focus on smart regulation to cut red tape and competitiveness-enhancing public policies. Business and citizens will benefit from a renewed entrepreneurial environment.



Picture a Global Europe



Powered



Innovative



Competitive



Talented



Unified



Resilient



Entrepreneurial

European business believes in the future of Europe.

BUSINESSEUROPE is convinced that by acting together in the European Union, our economies and societies are stronger. European companies want to invest in Europe and throughout the world. EU policy-makers must help business create the jobs, investment and opportunity that will secure our global future by urgently implementing competitiveness, growth, and employment enhancing policy changes throughout Europe.



BUSINESSEUROPE is the leading advocate for growth and competitiveness at European level, standing up for companies across the continent and campaigning on the issues that most influence their performance. A recognised social partner, we speak for all-sized enterprises in 35 European countries whose national business federations are our direct members.

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