Attractiveness of investing in Europe

P7_TA(2012)0275

European Parliament resolution of 3 July 2012 on the attractiveness of investing in Europe (2011/2288(INI))

(2013/C 349 E/04)

The European Parliament,

— having regard to the Treaty on the Functioning of the European Union, and in particular Articles 3, 4, 49, 50, 119, 219 and 282 thereof,

— having regard to the proposal for a Council Directive on a Common Consolidated Corporate Tax Base (COM(2011)0121),

— having regard to the OECD Declaration on International Investment and Multinational Enterprises and Guidelines for Multinational Enterprises (update of 25 May 2011),

— having regard to the Monti report, 'A new Strategy for the Single Market', published on 9 May 2010,

— having regard to the UNCTAD 2011 Report on World Investments,

— having regard to the Commission Communication entitled 'Towards a comprehensive European international investment policy' (COM(2010)0343),

— having regard to the Commission Work Programme 2012 (COM(2011)0777),

— having regard to the conclusions of the 3133rd Council meeting on the Single Market Forum,

— having regard to Regulation (EU) No 1173/2011 of the European Parliament and of the Council on the effective enforcement of budgetary surveillance in the euro area ([1]),

— having regard to Regulation (EU) No 1174/2011 of the European Parliament and of the Council on enforcement measures to correct excessive macroeconomic imbalances in the euro area ([2]),

— having regard to Regulation (EU) No 1175/2011 of the European Parliament and of the Council on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies ([3]),

— having regard to Regulation (EU) No 1176/2011 of the European Parliament and of the Council on the prevention and correction of macroeconomic imbalances ([4]),

— having regard to Council Regulation (EU) No 1177/2011 on speeding up and clarifying the implementation of the excessive deficit procedure ([5]),

([1]) OJ L 306, 23.11.2011, p. 1.
([2]) OJ L 306, 23.11.2011, p. 8.
([3]) OJ L 306, 23.11.2011, p. 12.
([4]) OJ L 306, 23.11.2011, p. 25.
([5]) OJ L 306, 23.11.2011, p. 33.

— having regard to Regulation (EU) No 1311/2011 of the European Parliament and of the Council amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability [1],

— having regard to Council Directive 2011/85/EU on requirements for budgetary frameworks of the Member States [2],

— having regard to the proposal for a Regulation of the European Parliament and of the Council on European Venture Capital Funds (COM(2011)0860),

— having regard to the proposal for a Directive of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and amending Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate (COM(2011)0453),

— having regard to the Commission Communication entitled 'Annual Growth Survey 2012' (COM(2011)0815),

— having regard to the Commission Communication entitled 'Single Market Act – Twelve levers to boost growth and strengthen confidence – Working together to create new growth' (COM(2011)0206),

— having regard to the Commission Communication on a strategy for smart, sustainable and inclusive growth (COM(2010)2020),

— having regard to the Commission Communication on an action plan to improve access to finance for SMEs (COM(2011)0870),

— having regard to the Commission's Trade and Investment Barriers Report 2011 to the European Council (COM(2011)0114),

— having regard to its resolution of 13 December 2011 on trade and investment barriers [3]

— having regard to the proposal for a Council Directive on a common system of financial transaction tax and amending Directive 2008/7/EC (COM(2011)0594),

— having regard to the Commission Green Paper on the feasibility of introducing Stability Bonds (COM(2011)0818),

— having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a budget for Europe 2020 (COM(2011)0500, Parts I and II),

— having regard to the Commission Staff Working Paper on the effects of temporary state aid rules adopted in the context of the financial and economic crisis (SEC(2011)1126),

— having regard to the 'Labour Market Developments in Europe, 2011' report by the Commission's Directorate-General for Economic and Financial Affairs,

(1) OJ L 337, 20.12.2011, p. 5.
(2) OJ L 306, 23.11.2011, p. 41.
(3) Texts adopted P7_TA(2011)0565.

— having regard to the OECD-WTO-UNCTAD reports on G20 trade and investment measures (mid-October 2010 to April 2011),

— having regard to the European Central Bank's euro area bank lending survey for January 2012,

— having regard to the European Central Bank's macroeconomic projections for the euro area (December 2011),

— having regard to the European Central Bank report on financial integration in Europe (May 2011),

— having regard to the OECD Policy Framework for Investment (PFI),

— having regard to the Proposal for a Regulation of the European Parliament and of the Council establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014 - 2020) (COM(2011)0834),

— having regard to its position of 19 April 2012 on the proposal for a Council Directive on a Common Consolidated Corporate Tax Base (CCCTB) ([1]),

— having regard to the Commission report 'Business Dynamics: Start-ups, Business Transfers and Bankruptcy' (January 2011),

— having regard to the World Bank Report 'Doing Business 2012: Doing Business in a More Transparent World',

— having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled 'Erasmus for All: the EU Programme for Education, Training, Youth and Sport' (COM(2011)0787),

— having regard to the Commission report entitled 'Interim evaluation of the Erasmus for Young Entrepreneurs Pilot project / Preparatory action (2011)',

— having regard to the proposal for a Directive of the European Parliament and of the Council on public procurement (COM(2011)0896),

— having regard to Rule 48 of its Rules of Procedure,

— having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on Industry, Research and Energy and the Committee on Regional Development (A7-0190/2012),

A. whereas the economic, financial and fiscal crisis in the EU has significantly broadened economic and social disparities among Member States and regions, resulting in an uneven distribution of inward and outward investment across the European Union;

B. whereas it is necessary to establish a consistent framework of stability within monetary and fiscal and trade policy, in order to facilitate the flow of direct investment in all Member States and EU regions, thereby contributing to correcting the EU's macroeconomic imbalances;

([1]) Texts adopted, P7_TA(2012)0135.

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C. whereas the informal meeting of the members of the European Council on 23 May 2012 has highlighted the need to mobilise EU policies to fully support growth, step up efforts to finance the economy through investment and strengthen job-creation;

D. whereas, according to the latest Commission Interim Forecast, the EU suffers from weak growth and expected growth rates will significantly differ across the Union, undermined by continued uncertainty and lack of consumer and market confidence;

E. whereas the Union should further exploit its strengths, such as the high standard of consumption, education and quality of life, its research and innovation capacity, high labour efficiency and productivity as well as a friendly and motivational business environment in order to tackle the fiscal crisis and enhance growth and employment;

F. whereas the financing of the Member States' public debt has the effect of absorbing resources for investment, growth and employment, while capital flight from certain Member States to certain other Member States as well as to certain third countries may contribute to a worsening of the EU balance of payments situation;

G. whereas bank lending – as the most important source of finance in the euro area, accounting for more than equity and bond finance put together, while in the USA and other regions of the world bank credit accounts for a smaller percentage of total finance – has been strongly affected by the recent developments;

H. whereas the growth potential provided by sectors such as green technologies, health and care, education and social economy can ignite and drive investment through increasing mutual demand, thereby boosting investment;

I. whereas there is need to monitor and review the impact and implementation of EU financial regulations to ensure that it is not creating unnecessary administrative burdens and stifling foreign direct investment in the EU;

J. whereas the latest UNCTAD report shows that the EU still has a strong capacity for attracting foreign direct investment;

K. whereas internal investment within the Union can significantly expand the markets for foreign direct investment through improvements in sustainable infrastructure for business, education, research and development;

L. whereas investment consists of two pillars – public investment and private investment – and whereas the private pillar is composed of domestic and foreign investment;

M. whereas combating over-dependency on imports of oil, gas and other non-renewable resources requires major investment in renewable energy, energy and resource efficiency;

N. whereas the European sovereign debt and roll-over risks, as well as deficiencies and barriers to trade and to the completion of the internal market, including non-tariff barriers and data restrictions, may limit the EU region's ability to attract both European and international investors;

O. whereas, in terms of competitiveness and entrepreneurship, the main challenges that Union enterprises continue to face are difficulties in accessing finance for SMEs; weak entrepreneurial spirit (only 45 % of European citizens would like to be self-employed compared, for example, to 55 % in the United States); a business environment not conducive to start-ups and growth, characterised by persistent regulatory fragmentation and red tape; limited capacity of SMEs to adapt to an energy- and resource-efficient economy and to expand to markets beyond their home country, both within the Single Market and beyond;

P. whereas, according to the latest World Bank 'Doing Business' index, EU Member States represent only 40 % (and euro area members just 26 %) of the top 35 countries in terms of entrepreneurship at global level;

Q. whereas, as shown in the Commission's Alert Mechanism Report (COM(2012)0068), national budget constraints and high unemployment rates highlight the need, especially with regard to current account balances, export market shares and private and public debt, to introduce effective structural reforms in order to improve the business environment, while cutting red tape and optimising the added value of the Structural Funds and the European Investment Bank's activities, including in the countries benefiting from the European Neighbourhood Policy;

R. whereas well-targeted social investments are crucial to securing a high employment level in the long run, stabilising the economy, enhancing human capital and raising the competitiveness of the EU;

S. whereas foreign direct investment trends are one of the key indicators used by the Commission in the scoreboard for the surveillance of macroeconomic imbalances;

T. whereas studies conducted by UNEP and the ILO reveal that investment in human capital formation is crucial to attracting investment in green economic sectors and exploiting their high growth potential;

U. whereas the flow of foreign direct investment in the EU, particularly if directed in such a way as to reduce the disparities between Member States, has positive effects on the real economy and the balance of payments, competitiveness, employment and social cohesion, but also acts as a positive stimulus as regards technological development, innovation, skills and labour force mobility;

V. whereas the definition of annual national sub-targets covering areas that underpin an attractive and competitive environment for international investors, in line with OECD parameters, will help to highlight national weaknesses and strengths as well as opportunities for targeted interventions;

W. whereas the euro-area and ECB objective of maintaining an inflation rate of just under 2 % in the euro area contributes to establishing a framework of stability conducive to attracting investment;

X. whereas the development of the European bond markets is to a large extent dependent on the broadening of the investment base;

Y. whereas, in its proposal on a common consolidated corporate tax base (CCCTB), the Commission did not extend harmonisation to corporate tax rates, which are intended to remain within the competence of the Member States, and whereas further steps are required to make the tax system in the Union more transparent and less complex for foreign investors while simultaneously coordinating tax systems throughout Europe;

Z. whereas trade protectionism is gaining ground world wide, therefore the EU, as the market leader in inward foreign investments, should continue the negotiations towards Free Trade Agreements promoting open and fair trade as well as international standards in the area of social and environmental protection when protecting its competitive trade advantages;

AA. whereas in the European Union there still remain significant obstacles to providing cross-border services, which impedes the functioning of the free market;

AB. whereas, in accordance with the EU Treaties, common commercial policy, including foreign direct investments, falls under the exclusive competence of the EU, and whereas in this field, the European Parliament and the Council operate on an equal footing, since the ordinary legislative procedure is applied;

1. Stresses that the EU still represents the first worldwide destination of foreign direct investment (FDI) and should as such continue meeting the expectations of investor and beneficiary states while complying with the EU's broader economic, social and environmental policy objectives, thus protecting its leading role at European and national level;

2. Believes that cohesion policy is key to addressing macroeconomic and regional imbalances at EU level and should be a key internal market policy for enhancing competitiveness, productivity, growth and job creation, which in turn has the potential to increase the attractiveness of investing in the EU; stresses that, through cohesion policy investment in infrastructure and labour-market skills, the attractiveness for prospective investors can be significantly increased;

3. Urges the Commission to improve international regulatory cooperation, including in multilateral fora, and the convergence of regulatory requirements on the basis of international standards and, where possible, to engage in regulatory dialogue to address existing or potential future barriers to trade with a view to limiting disputes and associated trade costs;

4. Considers that fiscal consolidation and stabilisation and the completion of the internal market should be carried out, ensuring an assessment of the added value that they can offer; believes that strong cooperation among economic bodies, as well as more complementarities between EU economies, should help reduce the regional disparities in foreign direct investment in order to strengthen the European industrial base and promote sustainable long-term economic development, the latter being the crucial precondition for successful and effective fiscal consolidation;

5. Stresses that it is crucial to maintain strategic European investors' interest in conducting their activities within the EU, bearing in mind that, in conjunction with the broader global financial and economic crisis, the negative feelings and uncertainty created by the debt crisis and a lack of quick responses lead investors to reduce their current exposure to the region; emphasises that a lack of co-ordinated long term domestic investment will significantly damage the future attractiveness of investing in the EU to such investors; recognises that a multi-level approach to governance, with local community involvement at appropriate stages, is essential to ensuring that investment is targeted towards addressing the specific needs of each region and each Member State;

6. Calls on the Commission to draw up a communication on the attractiveness of investing in Europe as opposed to its main partners and competitors, identifying the main advantages and weaknesses of the EU as an investment environment, and to put forward an integrated strategy including specific policies and recommendations, as well as legislative proposals if appropriate, to improve the EU's investment environment;

7. Believes that the EU should fully exploit its position as the world's largest single common market (including its high standard of living, high labour productivity, legal certainty and research and innovation capacity), foreign investor and trader in tackling the fiscal crisis, and highlights the need for more efficient tools and methods and new funding mechanisms and investment schemes, such as EU project bonds, which could exploit Europe's competitive advantages and the complementarities between its Member States and achieve the goals of the Europe 2020 growth strategy, in order to combat the recession and the challenge of slow growth;

8. Urges the EU to introduce investment as a key element of all flagship initiatives within the Europe 2020 Strategy, in order to meet the critical need for growth and employment and make use of their major contribution towards tackling the fiscal crisis; in particular, calls on the Commission and on the Member States to develop an ambitious, eco-efficient and sustainable EU industrial strategy in order to revitalise manufacturing capacity across the EU and generate high quality jobs within the EU;

9. Stresses in particular the enormous potential for attracting foreign direct investment by promoting education, research and development and job creation in the areas of reducing greenhouse gas emissions, developing renewable energy sources and increasing energy efficiency in order to meet the 2020 targets and make the EU a world leader in green technology;

10. Recalls that not increasing through sustainable funding or even reducing public investment, due to the fiscal crisis, in crucial sectors such as health, education, research and infrastructures could adversely affect competitiveness and attractiveness to investors, especially if this becomes a long-term pattern; for this reason there is a need to sustainably increase public investment;

11. Supports the newly proposed 'Erasmus for All' programme that can significantly increase the funds allocated for mobility and the development of knowledge, training and skills, in order to boost young people's personal development and job prospects and thus contribute to enhancing human potential and address the problem of high youth unemployment in Europe; supports 'Erasmus for Enterprises' and in particular the exchange programme 'Erasmus for Young Entrepreneurs', which will encourage start-ups, cross-border transfers of knowledge, cooperation between small firms, innovation and job creation;

12. Proposes improving and broadening the statistical database for direct investment, in accordance with the international models of the OECD and the World Bank, and the adoption of supplementary investment targets and indicators at national level (urban environment, social infrastructure), so as to highlight the progress that is being made towards an attractive investment environment, while at the same time evaluating the investment policies and their positive effects on the real economy and employment in the various countries and regions;

13. Believes that any strategy aimed at attracting foreign and local investment should be linked to completion of the internal market, cross-border investment and flows, open markets, improved market access and fair competition for liberal professions, given the number and variety of new opportunities; believes, in this regard, that the EU should promote the Trans-European Networks and worker, student and researcher mobility and reinforce cooperation and complementarities between EU economies;

14. Stresses the urgent need to reduce tax barriers for cross-border workers and employers to facilitate citizens' mobility and promote cross-border investment;

15. Calls on the EU to negotiate at global level and in the framework of the WTO, G20 and G8, the establishment of common rules that ensure fair competition and a level playing field in the face of international macroeconomic imbalances relating to financial regulation and taxation in order to protect the EU's competitiveness and ensure respect of the social and environmental objectives of the Union; calls on the Union to be decisive in negotiating and concluding comprehensive free trade agreements (FTAs) with major partners as a key to opening new markets for goods and services, increasing investment opportunities, facilitating open and fair trade and promoting a more predictable policy environment; stresses the importance of advancing negotiations on a financial transaction tax at global level;

16. Is of the opinion that the creation of an ad hoc European Observatory for foreign direct investments, established within the European Commission, could contribute to reinforcing the coordination of Member States' policies in this field and, at the same time, provide better monitoring of the policies undertaken, including their macroeconomic effects, in order to promote Europe as an investment destination;

17. Calls on the Commission to step up coordination of Member States' economic, tax and social policies with a view to attracting foreign investment, while taking into account the economic and social divergences observed between euro-area members and between EU Member States;

18. Considers that the EU and the Member States should take action notably to enhance the use of the Structural Funds and the Cohesion Fund as a catalyst for attracting additional funding from the EIB, EBRD, other international financial institutions and the private sector, while encouraging initiatives based on public-private partnerships (PPP), such as EU Project Bonds; notes that SMEs can particularly benefit from investments that strengthen capacities, infrastructure and human capital; recognises the potential of extending the scope of innovative financial instruments so that they are used to greater effect as access to finance to complement traditional financing methods; stresses that the revolving nature of financial instruments and a flexible approach to integrating such instruments at regional level could achieve a multiplying effect of the EU budget, foster public-private partnerships, open up alternative sources of finance and provide an important new financing stream for strategic investments, supporting long-term, sustainable investments at a time of fiscal constraint;

19. Welcomes the ECB's longer-term refinancing operations (LTRO); calls on the ECB to further act in a decisive way in addressing the current euro-area debt crisis by maintaining price stability while at the same time minimising negative spill-over effects on the real economy and the investments that the banking sector's liquidity problems might generate; believes that the banking sector must take the necessary steps to address its structural weaknesses with regard to longer-term liquidity risks in order to restore investor confidence and therefore to avoid the need for the ECB to intervene so massively in future; considers that the bank's operational framework should be shaped in such a way that a proportion of the grants would be made available for development purposes and to support small and medium-sized enterprises;

20. Believes that the forthcoming reform of the Capital Requirements Directive should ensure that increasing capital reserves to promote the long-term stability of the banking sector does not prevent banks from injecting liquidity into the real economy, which is vital for investment;

21. Stresses the need for deepening European capital markets in order to ensure access to financing from sources other than banks;

22. Notes the Commission's new proposals to improve the regulation of the credit rating agency market, in particular the amendment of Regulation (EC) No 1060/2009 on credit rating agencies and the coordination of laws, regulations and administrative provisions relating to undertakings of collective investment in transferable securities (UCITS) and Directive 2011/61/EU on Alternative Investment Funds Managers in respect of the excessive reliance on credit ratings, and underlines the need for further steps to be taken to ensure a healthy business environment and fair competition;

23. Calls on the Commission to evaluate the many remaining obstacles that impede the provision and receipt of cross-border services in individual Member States;

24. Notes the importance of the Commission's proposals to modernise the European public procurement market; stresses that a dynamic pan-European procurement market can provide important business opportunities for European companies and can significantly contribute to stimulating competitive European industry, as well as attracting investment and promoting economic growth;

25. Expresses concern at the trend for euro-area institutional investors to move out of euro-area equities and into equities issued elsewhere in the world, in view of (i) their growing role in the euro-area financial sector and (ii) the decline of investment funds' total holdings of shares and other equity issued by euro-area residents from 26 % in 2009 to 23 % during 2010;

26. Stresses the role of sovereign wealth funds from third countries and stresses the importance of strengthening the principles of transparency and accountability in order to promote synergies between the EU and sovereign wealth funds;

27. Calls on the Commission and the Member States to encourage institutional investors to participate in European venture capital funds and European social entrepreneurship funds and to eliminate restrictions on the supply of venture capital funding in small and medium-sized enterprises;

28. Believes that cross-border entrepreneurship offers significant benefits both for EU regions by contributing to their economic development and for individual enterprises by offering them opportunities to access new and larger markets and sources of supply, as well as capital, labour and technology;

29. Expresses concern about the high youth unemployment figures observed in a number of Member States and the negative employment prospects; notes with concern the European Union's limited ability to attract high-quality human capital while there are significant human capital flows towards third world countries; recognises that the European Union holds vast potential in terms of high-quality human capital and calls on the Commission and the Member States to step up action in order to tackle youth unemployment through programmes and concrete action at European and national level; welcomes in this regard the statement of the European Council calling on the Member States to introduce national schemes akin to the Youth Guarantee and urges the Member States to back up this plea with swift and concrete action at national level so as to ensure that young people are either in a decent job, education or (re-) training; considers that the European Union should step up its efforts to achieve the employment objectives of the EU 2020 strategy for smart, sustainable and inclusive growth, including reduced taxes on labour aimed at attracting more investment in the labour-intensive sectors of the economy;

30. Points to the challenge faced by the Union as a whole and by individual Member States with respect to an ageing population; urges the Member States to develop consistent strategies that deal with the demographic challenge, offsetting potential negative implications;

31. Supports the objectives of the Innovation Union; calls on Member States to target investment in education, research and innovation, given the medium- and long-term positive effects it can have on growth and development; supports smart specialisation as an important policy principle and a concept for innovation policy and stronger links between research and entrepreneurship in areas such as green technology;

32. Stresses that the fight against tax evasion should be a top priority for the European Union, especially in the current crisis situation, where tax evasion represents a major loss for national budgets and extra revenues could be used to increase public investment; points out the need to ensure smooth cooperation and coordination between the Commission and the Member States to fight against double taxation, double non-taxation, tax fraud, tax evasion and dumping, and the use of tax havens for illicit purposes; more generally, calls for greater fiscal coordination on both the revenue and expenditure sides, including smooth cooperation and coordination between Member States' tax systems, also for a reduction in the heavy administrative burdens and high tax compliance costs that European businesses are facing and which create disincentives for investment in the European Union; welcomes Parliament's above mentioned position on a common consolidated corporate tax base (CCCTB) while looking forward to the directive's adoption by the Council;

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33. Points out that difficulties in accessing finance remain one of the top concerns for SMEs; is particularly worried about the fact that healthy companies cannot acquire the funding they plan for; calls on the Commission and the Member States swiftly to implement actions and regulatory measures to facilitate funding for SMEs, as proposed in the EU Action Plan to improve access to finance for SMEs; stresses that growth at local levels is often sustained by SMEs and social enterprises and cohesion policy funding delivered through a strong multi-level governance approach can ensure that SMEs and social enterprises fulfil their potential and continue to make a valuable contribution to EU competitiveness;

34. Emphasises the need for a comprehensive review of the economic impact of EU financial regulation to ensure that implementation is proportionate and does not stifle investment;

35. Welcomes the Programme for the Competitiveness of Enterprises and SMEs (COSME) proposed by the Commission for the period 2014-2020 as a means to encourage an entrepreneurial culture and promote start-ups of SMEs mainly in new sectors such as social media services, the green economy and tourism;

36. Calls for new, efficient bankruptcy laws, including early warning tools, in order to encourage a second-chance policy designed to foster entrepreneurship and business re-starts, given that Second Chance is not adequately recognised by national legislations; stresses the importance of increased networking among entrepreneurs and re-starters in order to promote Second Chance as well as the need to address difficulties in financing re-starters;

37. Calls on the Union to fully exploit investment opportunities in the EU and beyond that arise from the European Neighbourhood Policy and macro-regional strategies;

38. Calls on the Commission to include all relevant indicators for measuring macroeconomic imbalances and their effects on the EU's regions in the scoreboard;

39. Recalls that it is important to further develop partnerships targeted at environmental sectors, which are attracting increasing interest from investors, taking into account EU resources and capacity;

40. Welcomes the fact that in 2011 the number of companies looking to invest in the EU rose by 5 %; regrets, however, that the average number of new jobs created per investment project has remained flat;

41. Calls on the Commission and the Member States to apply the European eGovernment Action Plan, through which they can provide eGovernment services – including to companies – more efficiently and at a lower cost, at both local and cross-border level;

42. Insists on the need, in order to attract more investment, for the EU and its Member States to:

(a) take advantage of the EU's historical heritage by fostering the cultural industries, sports and tourism as growing and attractive markets;

(b) foster the trans-Atlantic economy as our current main commercial, trade and foreign direct investment partner, taking greater advantage of skilled-job flows across the two continents and building on the potential for strengthening the innovation economy;

43. Welcomes the Commission's proposal for a programme focusing on the competitiveness of businesses and SMEs; welcomes the recent increases in venture and angel capital in many Member States but reiterates that the EU should further simplify regulations and access to finance for SMEs and other economic players by encouraging effective venture capital and angel capital systems across the EU and enhancing the role of private and public equity investments in financing long-term corporate growth; calls on the Commission to cooperate more actively with international financial institutions in creating innovative mechanisms for SME financing;

44. Emphasises the importance of promoting standards that help to develop innovation in new products and services, to complete the internal market and to attract investment in the EU, and of harmonising European standards with international standards;

45. Reiterates its earlier proposal that the Commission, in conjunction with the EIB (in view of the quality of the latter's human resources and its experience in financing major infrastructure), engage in a process of strategic analysis of investment funding, without ruling out any possible scenario, including subsidies, the release of sums subscribed to the EIB's capital by the Member States, EU subscriptions to the EIB's capital, loans, innovative instruments, financial engineering tailored to long-term projects which are not immediately profitable, the development of guarantee systems, the creation of an investment section within the EU budget, financial consortia of European, national and local authorities, and public-private partnerships;

46. Welcomes the emblematic Europe 2020 initiatives entitled 'An integrated industrial policy for the globalisation era', 'A Union of Innovation' and 'A resource-efficient Europe', and notes that the Europe 2020 strategy will help to make investment in the EU more attractive, create jobs within the EU and maintain its international competitiveness;

47. Highlights that, with the current low levels of growth and high levels of unemployment, the EU's cohesion policy makes an important contribution to the European economy as well as to European research and innovation and constitutes the largest expenditure item in the EU's budget for investments in the real economy, strengthening economic, social and territorial cohesion by reducing regional disparities and implementing a Union strategy for smart, sustainable and inclusive growth that offers remarkable leverage for public and private investments at EU, national, regional and local levels;

48. Stresses that a discriminatory approach towards large enterprises could impede innovation and reduce the competitiveness of other EU companies – SMEs in particular – by excluding them from vital global partnerships in collaborative innovation and by reducing their access to advanced technology;

49. Endorses the economic rationale of a local/regional place-based development policy rooted in the fundamental logic that interest in the Union's less-developed regions is likely to increase if they are able to offer competitive comparative advantages (adequate infrastructure, skilled human resources, etc.) as well as firm sets of incentives; in this context, calls on the Commission to support the Member States and regions in their pursuit of their own investment incentives policies, especially as regards long-term investments – not least at cross-border level – with an emphasis on infrastructure projects; notes with regret that less-developed regions of the EU are increasingly losing their attractiveness, to the benefit of third countries; calls on the competent authorities to draft urgent measures aimed at maintaining current investment and attracting new investment;

50. Emphasises that the EU has enormous strength in its cities and that major urban infrastructure projects and innovative business parks provide the strongest appeal to investment; urges the Member States to undertake large-scale investment in infrastructure, new technologies and R&D, including multimodal transport systems, in order to enhance the liveability and competitiveness of Europe's cities, building on their traditional strengths while ensuring that this investment is not detrimental to real territorial cohesion and balanced rural development;

51. Emphasises that it is necessary not only to disseminate and implement but also to invest in research and education at local level. This means that the available human potential – researchers and academic foundations at local level – needs to be used to the full in order to attract both domestic and direct foreign investment. In this context, it is also important to take note of the mobility of the human element: teachers, researchers and students;

52. Believes that underdeveloped regions should continue to benefit from substantial Union funding to provide investors with other local competitive advantages in addition to reduced labour costs;

53. Notes the need for strengthening infrastructure so as to reinforce regional cohesion and the competitiveness of the regions; emphasises, in this context, the importance of the Trans-European Networks and the use of supplementary financial instruments such as project bonds and public-private sector partnerships;

54. Instructs its President to forward this resolution to the Council, the Commission and the national parliaments.

Trade aspects of the Eastern partnership

P7_TA(2012)0276

European Parliament resolution of 3 July 2012 on the trade aspects of the Eastern Partnership (2011/2306(INI))

(2013/C 349 E/05)

The European Parliament,

— having regard to the ongoing negotiations on the EU-Ukraine, EU-Moldova, EU-Georgia, EU-Armenia and EU-Azerbaijan Association Agreements, which will include substantial trade elements,

— having regard to the Council Conclusions of 22 January 2007 which adopted the negotiating directives for the EU-Ukraine Association Agreement comprising a Deep and Comprehensive Free Trade Area,

— having regard to the Council Conclusions of 10 May 2010 which adopted the negotiating directives for the EU-Armenia and EU-Georgia Association Agreements, each comprising a Deep and Comprehensive Free Trade Area,

— having regard to the Council Conclusions of 15 June 2009 which adopted the negotiating directives for the EU-Moldova Association Agreement and to the additional detailed negotiating directives on the Deep and Comprehensive Free Trade Area, adopted by the Council on 20 June 2011,

— having regard to the Council conclusions of 10 May 2010 which adopted the negotiating directives for the EU-Azerbaijan Association Agreement,

— having regard to the Trade and Cooperation Agreement concluded by the European Community with the then Soviet Union in 1989 and subsequently endorsed by Belarus,

— having regard to the Joint Communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 25 May 2011 on A new response to a changing Neighbourhood (COM(2011)0303),