



**7th BUSINESS Forum Italy – Germany**  
**Confindustria – BDI**  
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**Joint Declaration**

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Faced with the crisis of confidence that continues to cross the European Continent, thus endangering the achievements of the integration project, we, the entrepreneurs of BDI and Confindustria, recognise the need to strengthen the European project, according to common rules, while making decisive steps towards more integration.

The latest rounds of elections, with strong results of nationalist parties, demonstrate that effective responses are needed in order to tackle the economic crisis and to improve the living conditions of people most severely hit by the crisis.

These turbulent times are characterized by big global challenges. Competition from economic giants like the United States and China, climate change, migration flows, defence, security, and protectionist tendencies are putting pressure on the European Union. We must react and give concrete answers that will allow the European project to regain popular consent.

Standing still would mean losing ground.

In this context, Confindustria and BDI believe that the time has come to push for bold reforms aimed at creating a more democratic and cohesive Europe.

It is essential to build on the values and the spirit of post-war reconstruction that inspired the EU founding fathers, in order to create a shared vision that could guide our democracies and institutions in the future.

A Europe whose purpose must continue to be the promotion of social development; a Europe that must continue to make full use of its different cultures, and find a balance between freedom and security and between market economy and social welfare.

A Europe that must continue to represent the most prosperous market in the world, a cornerstone of competitiveness for our businesses on global markets.

In order to be more effective and better understood by our citizens, the EU must focus its tools and goals to do more.

We must define what policies are to be pursued together and what need to be left to the Member States, respecting the principle of subsidiarity, and promoting - where necessary - a multi-tiered Union that integrates and strengthens the internal market, towards the perspective of a political Union. Not a simple union of States, but a Union with well-defined competences and a clear role.

While the answer to these challenges can only be political, the solution is also in the hands of European companies and in their ability to evolve and create jobs. Economic growth, which shows the benefits of staying together, is indeed a prerequisite for reviving the confidence needed to keep the integration project still attractive.

To do so we must start over from what made the European project possible: industry. Manufacturing is still the engine of economic development and the basis of European prosperity.

A strong and coherent action at EU level is needed to strengthen industrial competitiveness and to create the conditions enabling European companies to thrive, compete globally and create jobs and prosperity through intra-EU value chains.

For the post-2020, Europe needs a common budget that meets this ambition: a broad investment program on material and immaterial infrastructures needs to be launched, providing enough resources for EU Cohesion policy, which is a major European source of investment and an indispensable tool to support industry. The EU Cohesion policy must be reformed, in order to support the economic development of all territories. It must also be simplified to make it more accessible in particular for those who operate in regions lagging behind, which cannot be abandoned.

Firmly convinced of the benefits of an ever-closer collaboration, BDI and Confindustria have actively worked, since the signing of the Competitiveness Pact in 2016, to develop concrete recommendations to the European Institutions and to the Governments of both countries in different fields of interest for businesses. The aim is to actively contribute to define policies that strengthen European competitiveness, foster investments and create jobs.

In relation to internal challenges, Confindustria and BDI consider it necessary to:

- rapidly implement the measures included in the recent review of the EU Industrial Policy Strategy, in order to promote industrial competitiveness, encourage job creation, ensure the full and free movement of persons, goods, services and capital, and support innovation by strengthening Europe's leadership role vis-à-vis its competitors that are moving up along the value chain;
- continue the close cooperation on Industry 4.0, in particular by supporting the creation of a European network for Digital Innovation Hubs (DIHs) to help enterprises to access the necessary skills to digitize the production processes;
- promote greater European investments in research and innovation, in order to make Europe more competitive and apt to face global competition, in a fully knowledge-based economy;
- consistently include EU Cohesion policy in a comprehensive European industrial policy strategy aimed at boosting investments and strengthening each and every region, by supporting the competitiveness of local businesses;
- promote, in the context of the relaunch of the EU infrastructure policy, key industrial projects relevant to the development of Trans-European Transport Networks (TEN-T), which would exploit new technologies to

- make European companies and territories more competitive and to create technological and industrial opportunities for the countries involved;
- revitalize bank credit. Regarding financial regulation, it is fundamental to stop uncertainty and avoid further tightening. Regulatory measures must be consistent with the existing regulation framework, supported by appropriate impact analysis; moreover, in order to achieve the right balance between financial stability and firms financing, it is important to ensure stability of the regulatory framework and to avoid the introduction of procyclical and retroactive rules. In particular, on non-performing loans we are concerned about recent proposals and possible further initiatives that could introduce automatism and rules that could have major effects on banks' capital requirements and therefore impact negatively the credit supply chain;
  - in addition, in order to promote firms' investments and growth, it is essential to promote their access to financial and capital markets;
  - improve strategic approaches to entrepreneurship, new business models and a start-up of new industrial companies by addressing corporate challenges, general innovation policies and policies targeted at the financing and promotion of start-ups;
  - invest in education and training of highly-qualified human capital, for the young generation and orient workers' training programs towards the skills of the fourth industrial revolution, particularly the digital ones;
  - preserve the Single Market as a strategic asset of the EU. Confindustria and BDI urge the European Commission to do more to protect the Single Market, by activating coherent processes of simplification and innovation, avoiding and eliminating overlapping regulations and counteracting every attempt of fragmentation. The European Commission should also pay attention to the quality standards of products entering the EU and increase controls and sanctions for the non-compliant Member States.

Specifically, Confindustria and BDI are committed to ensure that the level of ambition of the forthcoming EU goods package meets the expectations of our companies.

In relation to the external challenges that the European Union will have to face in the next few years, Confindustria and BDI consider it necessary to:

- strengthen the European trade agenda to create greater growth opportunities for large, medium, and small companies in Italy and Germany, and generate high-productivity and well-paid jobs in Europe. From this point of view, the ambitious and balanced conclusion of the EU trade agreements currently under negotiation, including those with Japan and MERCOSUR, and a revitalisation of the transatlantic trade dialogue represent a major priority;

- foster and further develop the open, transparent, and rule-based multilateral trade regime of the World Trade Organisation, based on the common will to address protectionist tendencies, making sure that Europe remains a favourable location for entrepreneurship and investment;
- continue to pursue the progressive liberalization of international markets, in a spirit of reciprocity and mutual openness, while protecting the EU strategic interests. In this regard, it is necessary to reject unfair commercial behaviours and to tackle illegitimate dumping by companies in non-EU countries, in order to level the playing field for European companies;
- attract foreign direct investment aiming, among others, at enriching the capital and knowledge base of EU companies, boosting innovation, and at promoting job creation; to protect European investments abroad and to promote the spread of European standards globally;
- with regard to the exit negotiations with the United Kingdom, rapidly reach an agreement that strengthens the competitiveness and the growth prospects of the whole European Union and maintains the integrity of the Single Market – according to the four freedoms (goods, services, people, capital) – and the closest possible economic relationship between the EU and the United Kingdom;
- support a greater industrial cooperation on defence and security, taking advantage of the opportunities that will be created by the European Defence Fund, in order to foster industrial synergies which will allow for an increase in competitiveness in a strategic sector for European interests and a source of great innovation;
- implement a common European policy towards African and Mediterranean countries, by promoting the EU External Investment Plan that, by involving the private sector, can serve as a tool for the development of African countries. This should be done by supporting inclusive and sustainable growth in a spirit of industrial partnership. This would help address the root causes of migration. Integrated EU border management policies need to be strengthened, common immigration and asylum policies must be implemented, and a fair distribution of responsibilities between Member States should be ensured. In addition, the Economic Partnership Agreements with this region need to be ratified quickly.