



A Call for Long Term Investment in the European Union

Europe urgently needs to find a path to strong and sustainable growth. This cannot be achieved without massive long-term investment, in sectors such as infrastructure, industrial research, development and innovation, climate change, etc.

We, economic and institutional actors, CEOs of SMEs and large companies, in charge of professional associations, French and European investors, are ready to meet this challenge - but it requires a drastic revision of a regulatory framework which has become a deterrent.

That is why we call on the EU to urgently adopt a positive framework for long-term investment.

1. A shared observation: growth will come back in Europe only if we meet the long term investment needs of our economies

The example of infrastructure is in itself instructive:

In France, transport infrastructures needs alone over the next 20 years are estimated at €166 bn, while for the sector of Information Technology, 20 to 30Mds € will be needed by 2025 to deploy optical fiber networks across the country;

At EU level, the Commission considers that work on the transport and energy network will cost over €1600 bn by 2020.

Similarly large needs exist in Research, Sustainable Development, Financing and export of major projects, etc.

However, the economic context, characterised by the financial crisis, weak growth, reduced access to bank credit and the contraction of national budgets, slows the deployment of such investments. Added to this is an inappropriate regulatory framework that emphasises the short term and ignores the specificities of long term investment, with a real risk to eliminate private actors.

2. The National Conference: a collective reflection to evaluate the obstacles to long term investment

We have taken the initiative to launch the first major national debate involving all economic actors to:

- diagnose the needs of long-term investment in the French economy;
- identify structural barriers generated by new prudential, accounting and tax regimes, applicable to savings and financial activities;
- propose remedies to restore long term investment capacities.

This collective thinking, first organised in France, should be soon replicated in other Member States, in order to engage a real European process leading to operational decisions.

3. Our goal: a European framework for long-term investment

European authorities have to seize the opportunity and acquire the capacity to fund the objectives of Europe 2020: knowledge to support growth and employment, environment, energy, transport.

The EU will meet these challenges only if prudential and accounting rules are revisited to reflect the "business model" of investors who have the capacity to finance these objectives, and if tax rules are adapted to encourage long-term savings available for productive investments.

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