

Investment Plan for Europe: leveraging private investment is the right approach

EUROCHAMBRES praises the focus on leveraging private investment that underpins the European Commission's new Investment Plan for Europe. This is as an important signal to administrations across the EU on how to optimise the impact of constrained public budgets.

"The Commission's approach sends an important message at the start of the new term: the subsidy culture is over. The focus on stimulating private investment is valid. As we have seen recently with the Connecting Europe Facility and the SME Initiative, there is no point in waiting for member states to commit to EU-led funding initiatives," commented Arnaldo Abruzzini, EUROCHAMBRES' Secretary General.

EUROCHAMBRES also welcomed the Commission's intention to address the issue of low investment levels via financial resources, projects and tools with renewed vigour.

EUR 315 billion won't solve everything

Even if the Commission meets its target in leveraging the private funds, EUR 315 billion spread over three years and across the EU will not cure the economic malaise. That is why it must work in synergy with existing EU initiatives to create additional spill overs and greater leverage and why it must be flanked with measures to improve the absorption of funds.

Fundamentally, other non-budgetary initiatives to reform the EU economy must be rigorously pursued and EUROCHAMBRES will be looking for a positive sign of this in the forthcoming Commission Legislative Work Programme for 2015. The objective of a fully functioning EU internal market – especially for services and the digital economy – should in particular be central to the new Commission's activities.

Private investor confidence crucial

Despite low interest rates and high levels of liquidity, uncertainty still discourages private investment. Even with the assurance of EU backing, other common obstacles for investors such as the lack of assets to buy, inappropriately structured projects and an unstable regulatory landscape need to be addressed.

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