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Joint declaration of Employers and the Government of Malta

Encouraging private sector investment in Europe

The political and economic context in which businesses operate is more uncertain than ever before. Europe is facing a number of serious external and internal challenges such as increased global uncertainty, Brexit, the rise of extremism and security threats. Europe is also suffering from low level of investment. Investment in Europe remains 15% below that recorded before the crisis in 2008 and a further EUR 300 billion of investment would be needed annually to get back to pre-crisis level.

The signatories to this declaration firmly believe that:

1) In these challenging times, **we need to find ways to mobilise and encourage even more private sector investment in Europe. This is essential if we are to promote growth and job creation across the whole of the Union**.

2) We need to **remove obstacles to investment** such as:

I. Lack of stability & predictability: Business needs freedom to operate and legal, regulatory and political stability to attract long-term investment. A coherent policy framework is an important stabilisation factor. A lack of vision for Europe's direction and the uncertainty about its future is likely to make investors less willing to invest.

II. Legislative risks, over-regulation: Fighting over-regulation and administrative burden and thus providing a more business- and employment-friendly regulatory environment would encourage private investment.

III. High cost of doing business: reducing bureaucracy, red tape and gold-plating as well as addressing skills mismatches and encouraging job mobility are needed to bring down costs of doing business.

3) **More efforts are needed to promote private investment**:

I. EU and national policies must provide stability and enhance the ease of doing business. This will allow entrepreneurship to thrive, and private companies and investors to do their part to create jobs, generate growth and push innovation. This entails reducing unnecessary and overly expensive regulation.

II. The Single Market is an important asset for attracting investment but greater flexibility and pragmatism is required. To reap the full benefit of the Single Market, we must fight protectionism and implement Single Market rules. At the same time we must ensure that a degree of flexibility and pragmatism prevails to ensure that SMEs in all Member States are given a fair chance to succeed.

III. Robust and ambitious trade agenda: In the next 10 to 15 years, over 90% of world growth is predicted to be generated outside Europe. We cannot capitalise on this potential without openness to trade. Concluding and implementing trade and investment agreements is essential.

4) **More private and public investment is needed in areas such as technology and innovation.** For instance, the European Fund for Strategic Investment (EFSI) should focus its interventions on sectors of the future, particularly on Industry 4.0, keep its market-driven emphasis and aim for greater involvement of private funding. Moreover, it is vital that EU instruments such as EFSI are designed in such a way as to ensure that all Member States irrespective of their size can fully capitalise on the opportunities that such an instrument brings. Also, public investment should be better directed to areas that support growth.

In the context of the Future of Europe, business needs an efficient and united Europe to be able to withstand the pressures of international competition whilst continuing to enhance competitiveness. The European Union must continue to use its economic and political strength to be able to negotiate favourable trade agreements which are of benefit to businesses large and small right across the EU.

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