

## European Long-Term Investment Conference – 3<sup>rd</sup> edition

**“Long-term investment: investing for cohesion” – 26 October 2017**

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**The long-awaited recovery is finally here.** Lights are turning green; investment is resuming and employment is on the rise again in many EU countries. Doubts over a possible secular stagnation and over the downturn in the productivity of our Western economies have been forgotten. But are we out of danger? Many economists are pointing the finger at current vulnerabilities. European monetary policy should gradually change course over the year as announced, but it will not be plain sailing, and sudden actions must be avoided. Growth is still far too debt-dependent: in 2016, the debts of non-financial stakeholders in the G20 economies represented 220% of GDP, almost 40% more than in 2007! When rates rise, financial crises will materialise, along with a potential risk of a public debt crisis in Europe. In the meantime, deeper global geopolitical risks are brewing against a background of rising inequality and protectionist, even nationalistic, reactions.

**2018 will be a crucial year for Europe.** A number of important national elections have been held in various Member States (Netherlands, France, United Kingdom, Germany, Austria, etc.), and **the European Union must now show citizens evidence of its effectiveness**, ahead of the European elections in 2019. **2017 will be a pivotal year.** Emmanuel Macron’s arrival as President of France is expected to revive discussions on the future of the eurozone, thanks in particular to a healthier Franco-German dialogue addressing not only reforms but also growth and investment policy, which must be discussed jointly and above all implemented. In parallel, the Brexit negotiations, which began officially on 30 March 2016, will open up areas of discussion affecting the banking union and the capital markets union in particular.

Our conference of 26 October will be devoted to discussion, between representatives of public institutions and economic and regional stakeholders in order to exchange views and examine the conditions required for **a successful and truly European investment policy aimed at improving cohesion within the EU**. We will address three interrelated topics.

### **1. The macroeconomic context: the best deal?**

Despite low interest rates, investment in infrastructure, the low-carbon transition, the digital transformation and skills remains insufficient. The investment-to-GDP ratio has not returned to its pre-crisis level in terms of business investment. Although traditionally borrowers, companies have become net savers. Effectively channelling savings still remain a challenge to be addressed.

While it is true that European banks are generally healthier today, the solidity of the European banking system is still questioned, and little if no progress has been made in terms of finalising a true banking union and capital markets union. More generally, what financial system must Europe adopt to aid sustainable recovery?

What deal is needed to reform the Economic and Monetary Union and improve and stimulate investment, foster growth and ensure fiscal sustainability? How can we more effectively align monetary policy and a coordinated economic policy, fiscal incentives (national and European) and new-

generation industrial (or “competitiveness”) strategy? How can we reconcile a more desirable strengthening of the eurozone with the pressing need to maintain 27-strong cohesion?

## **2. Stakeholders give their opinion: reconciling regional and business challenges**

Europe must make every effort to secure the long-term investments so desperately needed, in skills, in healthcare, in the low-carbon transition, in industrial innovation and in the digital transformation. Beyond addressing issues of economic development, we must give consideration to cohesion challenges and ensure the views of all Europeans are shared.

Confrontations Europe is campaigning, with its partners, for a European industrial policy that will allow Europe to assert its strategic autonomy in today’s global market. We must pool the long-term investments needed in Europe to help make each country more competitive. How can we encourage new European projects of general interest? How can we create price signals that will foster investment? Issues that pinpoint our lack of a true European policy in key areas (energy, digital, etc.), because of which differences between Member States are increasing.

Each country, each region must find satisfaction. Regions and towns realise more than half of all public investment in Europe, despite local public finance restrictions. How can we involve regions and municipalities more directly in investment projects and in economic and regional cohesion policy in such a way as to make them investment partners, investment facilitators, as part of a bottom-up approach to counter the growing regional differences? To achieve this, we must address the still numerous regional obstacles to investment (administrative capacity and governance, access to and management of investment funds, public procurement and PPP challenges, business environment, skills, etc.). How can we reconcile the EFSI approach (demand-driven with no geographical or industry focus) and the need for economic, social and regional cohesion within the EU?

## **3. Funding for regional and cross-border projects: obstacles and opportunities**

It is still essential that we complete the banking union with a federal deposit guarantee scheme, defragment the capital markets union to fund our innovative companies and high-growth SMEs across the continent responsible for most net job creation, and create a European framework to ensure funds become accessible to all.

To invest, companies need a cross-border financial support mechanism. While it is true that the Investment Plan for Europe has outlined a coherent approach, it promotes national behaviour at the expense of convergence. Cross-border and inter-regional cooperation remains inadequate. How can we encourage a stateless logic, embracing a new complementarity between the public and private sectors and built on co-investment initiatives involving various national development banks as well as the European financial and banking system? How can we promote a complementarity of roles to finance investment while sharing the risks, to unlock development potential?

## Draft agenda

- 10.00 a.m. Registration of participants
- 10.15 a.m. **Introduction**
- 10.30 a.m. **Keynote speech: Debora Revoltella**, chief economist, European Investment Bank

<b>11.00 a.m. – 12.30 p.m.</b>	<b>First round table: Macroeconomics and the new European deal</b>
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Key questions: Moving forward with an EMU and EU-driven investment strategy

Prospective speakers:

- **Michel Aglietta**, Advisor, CEPII and *France Stratégie*
- **Philipp Engler**, Economist, DIW Berlin;
- **Christian Thimann**, Senior Advisor to the Chairman and Director of the AXA Research Fund, AXA Group – Chair of the High-Level Expert Group on Sustainable Finance
- **Natacha Valla**, Head of the Policy and Strategy Division of the EIB
- A representative from Allianz France\*

President: **Olivier Guersent**, DG FISMA, European Commission

- 12.30 p.m. **Keynote speech: Philippe Herzog**, Founding President

<i>Lunch break (12.40 – 1.40 p.m.)</i>
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<b>1.40 – 3.25 p.m.</b>	<b>Second round table: Stakeholders give their opinion</b>
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Key questions: Involving regions and businesses in policy making

Prospective speakers:

- **Patrik Andersson**, CEO of Business Region Göteborg
- **Anna Lisa Boni**, Secretary General of Eurocities
- **Vasco Alves Cordeiro**, President of the Conference of Peripheral Maritime Regions\*
- **Thierry Déau**, CEO of Meridiam\*

President: **Marc Lemaître**, DG REGIO, European Commission

- 3.25 – 3.40 p.m. **Keynote speech: Gérard de la Martinière**, Paris Long Term Investment Task Force: Progress report on the status of the European long term investor

Break 3.40 – 4.00 p.m.

4.00 – 5.30 p.m

**Third round table: Funding for projects and Regulation**

Key questions: obstacles and opportunities for long term investments, progress report on the Juncker Plan

Session 1: Funding of regional projects:

Prospective speakers:

- **A representative from Société Générale\***
- **David Percheron**, Permanent representative from CDC in Brussels
- **Florence Revest**, Team Leader - European Investment Project Portal, DG Ecfm, European Commission

Session 2: Financing and Regulation: friends or foes?

- **Stéphane Cossé**, Public Affairs Director, Covea
- **Dominique Graber**, Public Affairs Director, BNP Paribas
- A representative from the European Association of Corporate Treasurers

President: **Edouard de Lencquesaing**, President, EIFR

5.30 p.m.: Keynote speech: **Sandro Gozi**, Secretary of State on European Affairs, Italy

5.50 p.m.: **Conclusion by Frans Timmermans**, Premier Vice-Président de la Commission européenne\*

## PARTNERS

