

Remarks by Vice-President Katainen at the press conference on the Juncker Plan at work and the Single Market in a changing world

Welcome to today's press conference. We have three communications, which all are interlinked: one on the Investment Plan for Europe or Juncker Plan if you want, one on the Single Market and finally one on European harmonised standards. They all have an impact to our economic growth and to the modernisation of the EU economy. But before going to the substance, let me say a few words about the context. In six months European citizens will have the opportunity to elect the next European Parliament.

My message to them today is: have your say on what kind of Europe you want – but don't take Europe for granted.

Don't take it for granted that you have the freedom to live or work in another European country, like 17 million Europeans already do.

That the cost of phone calls has fallen by two thirds and you can roam for free.

That you have more control over your personal data than ever.

That we have the strictest rules on food, health and toy safety, for instance.

That you can claim compensation if your flight is delayed.

That you can cancel or return online purchases within 14 days.

That the Investment Plan for Europe has supported more than 750,000 jobs.

So, don't take any of this for granted. All of this has been done because we have wanted to deepen our probably the most precious asset: the Single Market. And we have worked together in order to boost investment. There are also forces who are either intentionally or unintendedly erecting barriers to our internal trade. That's why all those issues cannot be taken for granted. Single Market is not an asset which you can fully complete. The market and technologies are changing all the time. Think of, for instance, artificial intelligence or the circular economy. Both are the drivers of economic growth in the coming years. They are the megatrends in the world economy and it means that we have to reshape our Single Market to enable frictionless market within the EU and promote growth. Single Market is also the reason why EU is so attractive for foreign direct investments. It means more jobs, more competition and more productivity in our economy. Productivity is the best friend of welfare society. Single Market is also the reason why we have managed to get good trade agreements with third countries. Many countries are

willing to have an agreement with us because it allows them to get an access to the EU Single Market. The Single Market is also the way to set global standards, for instance on product safety, energy efficiency or, for instance, GDPR is a good example. And in the future we could have global standards on the quality of plastics. So are we the ones that set the standards or are we the ones who adapt to the standards which the others have set? That's why Single Market is a much wider concept than someone might think. Technology is changing, people's demands are changing and market is changing. This is not just a message to citizens and businesses. It's also a message to our Member States and the European Council, which we expect to devote due attention to this matter. Because there is now a real urgency to act if you want to maintain growth and competitiveness in Europe. This matter deserves due attention at all levels. Elzbieta will present the Single Market communication and the harmonised standards communication in a little while. But let me say also a couple of words on the Investment Plan communication. I must say that Investment Plan for Europe has been a success story. It has brought investment back to sustainable level in Europe. Four years on, we can clearly say that that it was exactly the right thing to do. It has been a game-changer, in the way we used public money to crowd in private investment into projects that modernise our economy and help start-ups to thrive.

The EFSI, the financial leg of Investment Plan, has covered roughly speaking one third of the investment gap we had when we started this programme. I give you a couple of figures on the EFSI. EFSI has already mobilised €360 billion worth of investments, two-thirds of which come from private resources. So it shows that it functions exactly as we wanted it to function. By using public guarantees, we could crowd-in private liquidity which was resting in the bank accounts.

Now they are in productive work. 850,000 small and medium sized businesses are set to benefit from improved access to finance. Estimates show, that already now EFSI supported some 750,000 jobs, while 1.4 million jobs will be created by 2020. The EFSI has already now increased EU GDP by 0.6%. By 2020 we expect the increase to be 1.3%. The biggest users of EFSI when looking at EFSI investment per countries' GDP are Greece number one, Estonia second, Portugal third, Spain fourth, fifth is Lithuania, sixth: Latvia, seventh: Bulgaria, Poland is eighth, Finland ninth and Italy tenth. 33% of EFSI financing has gone to small and medium enterprises, 21% to research and development and innovation, 19% to energy and 11% to digital.

But EFSI is only the financial leg of the Investment Plan. The entire Investment Plan consists of three areas: EFSI, but then also the advisory hub and the project portal and finally structural reforms both at national and European levels. European structural reforms mean for instance: Capital Markets Union initiatives, Energy Single Market initiatives, everything related to the Single Market strategy. I also must mention the circular economy proposals which are modern examples of deepening the Single Market. And I must also say that since we started the focus on national reforms, many of our Member States have done significant reforms to cut red tape and make the business environment more favourable for growth and investment. So, I will stop here and pass on the floor to Elzbieta who will give you further

information as to other proposals.