



PRESS RELEASE

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## **Europe's 500 sees urgent need of a stronger EU involvement for a faster turnaround**

Top entrepreneurs, academia and representatives of the European Commission and the International Trade Union Confederation ITUC met at the Europe's 500 Roundtable at the IESE Business School in Barcelona to discuss under the topic "Re-Thinking Growth – Need is the mother of invention" measures for a faster European recovery.

The following **core recommendations had been presented by Europe's 500** and were discussed:

### **1. The EU should encourage part time work (best practice)**

Part time work, rotation of work interruption between the workforce, and life-long-learning could prevent the wave of unemployment.

### **2. The EU should centralize bank reform authority to the ECB to improve co-ordination**

1. In order to enforce public subordinated loans (that count as equity) to those systemic banks who would otherwise pull money out of the „Real Economy“. Europe's 500 supports Commissioner Joaquin Almunia's recent statement that "***banks still have to be repaired to make recovery sustainable***"

2. In order to give temporary equity instead of buying bad assets so that governments can benefit from the leverage of the banks (1:10, equity:total assets)

3. In order to reduce regional resistance and criticism towards publicly funded reinforcement of bank's equity. If the bank's support will be coordinated on the European level bankers may show more acceptance and fear less national criticism.

4. It was suggested to call bad banks a good name like: „long term asset funds“, so they may turn a problem into an opportunity as patient capital is more appreciated by the economy.

5. The entrepreneurs would highly welcome the proposal made by Mr. King, president of the UK Central Bank, to separate commercial banks and investment banks. Investment banks focus on (speculative) products and services and have little to no inclination to lending. Commercial banks could become partner of the mid-sized companies.

### **3. Make European patent applications affordable to support innovation**

One national and one European patent fee should cover the whole of Europe

***"The roundtable was extremely concerned how slow the EU commission is moving on this topic which is so evidently necessary for competitiveness and innovation", said Martin Schoeller, president of Europe's 500.***

### **4. Cooperate with the Unions in the WTO in order to improve social standards on salary levels in the emerging markets**

It became clear that additional domestic demand through increasing wages is needed in the BRICs (Emerging Markets), especially in China, also in order to compensate for the huge drop in exports to Europe and USA.

***"Europe's 500, Entrepreneurs for Growth would therefore strongly support, if not only the ILO but also the ITUC would be consulted and integrated in the WTO discussions", said Martin Schoeller, president of Europe's 500.***

## 5. Strongly support green technologies especially renewable energies

by incentivising the acceleration of renewable energies based on reliable feeding in tariffs in all European countries. Concrete results from Copenhagen are expected and as solar energy is more than abundantly available the discussion should put more emphasis on the sustainable decarbonisation of the global energy system itself.

Other topic highlights included:

**Carlos Fernández, Deputy General Manager of Informa D&B S.A.** represented D&B Worldwide Network data on the financial performance of 2.6 million European companies from 2005 showing a marked decline since the global financial crisis. D&B data also shows changes in the payment behaviour of European companies that would adversely impact the working capital of their trading partners.

**Andrew Wates, Chairman of the Wates Group UK and member of the board of the Family Business Network FBN** mentioned that: *"In times of economic stress, the longer term patient capital found in many family businesses can have a stabilising effect on national economies."*

**Robin Menzel partner from Augusta & Co** says that private equity will have to be looking for long-term value creation strategies

**Thierry Dedieu, CFDT's secretary confederal, representing ITUC** agreed that during the economic crisis all means e.g. part-time and life-long learning should be considered to protect workers employment on the long term and to avoid more unemployment through decline of production.

**Manfred Bergmann from the European Commission** highlighted that in order to maintain employment also in low cycles, temporarily shifting to part-time work should be facilitated. The German model of "Kurzarbeit" should be considered all over Europe. Mr. Bergmann also reminded that while it is mainly the task of enterprises to discover and exploit new sources of growth, policies could provide incentives, so as to accelerate the market penetration of social beneficial products, such as carbon-free renewable energies. This main area of future growth is commonly identified by representatives of the entrepreneurs, unions and the Commission as key for maintaining Europe's leadership in greening the economy.

**Antonella Mei-Pochtler, Senior Partner of The Boston Consulting Group**, raised awareness to the growing economic power force of women who today already control 65 % of global consumer spending and are seriously dissatisfied in a number of product categories. According to "Women want more", the new book by BCG, concrete growth opportunities exist in financial services, automotive, healthcare, and consumer durables where women around the world feel they could be served better.

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About **Europe's 500**: ([www.europes500.eu](http://www.europes500.eu))

Europe's 500 is the association of the fast growing owner-managed companies in Europe. The organisation, founded in 1996, represents more than 2,300 growth companies from across Europe, with the common goal of contributing to growth and more employment in Europe and promoting entrepreneurship. Europe's 500 does not see itself as representing interests in the classic sense, but rather as an NGO, offering its know-how and expertise for the collective good. With the Europe's 500 roundtable, Europe's 500 offers an established platform both for dialogue with EU institutions and for the exchange of experiences between entrepreneurs. Europe's 500 is open to growth companies. Europe's 500 is supported by The Boston Consulting Group, Morgan Stanley, White & Case and Dun&Bradstreet.