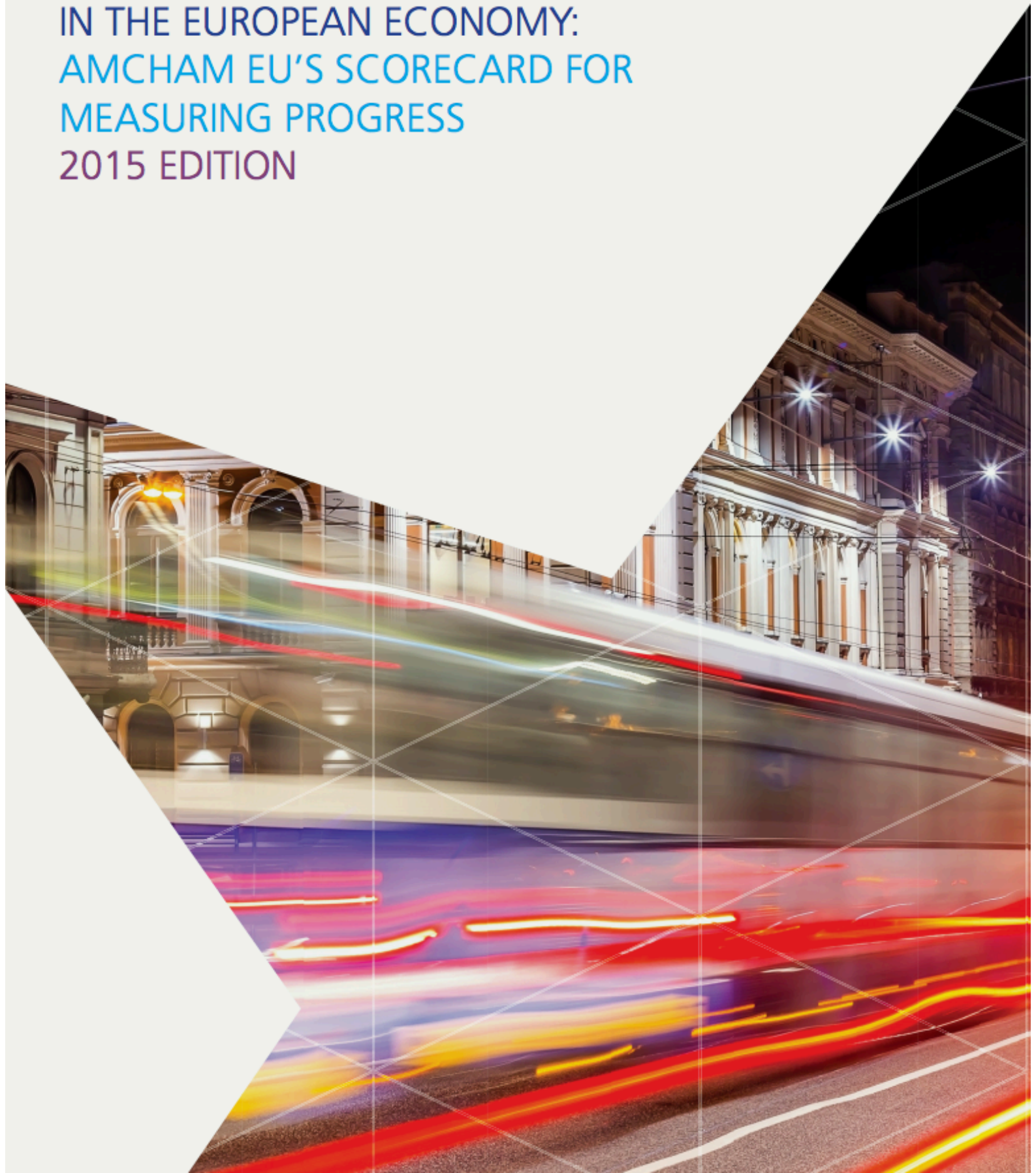


ACCELERATING GROWTH AND VITALITY
IN THE EUROPEAN ECONOMY:
AMCHAM EU'S SCORECARD FOR
MEASURING PROGRESS
2015 EDITION



AMCHAM EU'S FIVE KEY ACTION AREAS

BUILD SKILLS FOR THE FUTURE

If Europe is to compete in an ever-changing global environment, policies need to be in place to ensure its citizens are well-equipped to meet the needs of the future marketplace. This will require investment in training and skills development at every stage of workers' lives to remain relevant to the needs of society and the economy.

DRIVE INTEGRATION TO CREATE AN ATTRACTIVE INTERNAL MARKET

Europe needs to complete the Single Market, particularly in the areas of services, the digital market, energy and transportation. Efforts also need to be made to improve harmonisation of policies and regulation. The objective should be to make Europe an attractive destination for investment and a hub of economic growth and innovation which contributes to global regulatory and industrial standards.

EMBRACE REVOLUTIONARY CHANGE FOR INDUSTRIAL LEADERSHIP

Europe has built a strong industrial foundation and now is the time to capitalise on its expertise across all sectors including pharmaceuticals, healthcare, energy, transport, aerospace, security, chemicals, biotech and digital technologies. The objective should be to establish policies to keep European industry at the cutting edge to ensure sustainable economic growth.

DEVELOP NEW MODELS OF INNOVATION AND ENTREPRENEURSHIP

Innovation and entrepreneurship have been hailed as great drivers of growth. The next generation of entrepreneurs need to be supported and encouraged through incentive programmes. At the same time, fresh models of partnership between governments, businesses and the wider civil society need to be developed and promoted. The objective should be to foster dynamic and flexible thinking to generate economic opportunities for the future.

LEAD BY EXAMPLE TOWARDS GLOBAL INTEGRATION

Europe needs to remain a global hub for trade, investment and ideas, while taking advantage of the global economic landscape more systematically. The objective should be to ensure that European industries can compete successfully in an increasingly integrated global economy. The Transatlantic Trade and Investment Partnership (TTIP) agreement offers the opportunity to enhance cooperation between the EU and the US and the possibility of establishing regulatory standards which will have a profound impact on the way business is conducted globally for decades to come.

KEY PERFORMANCE INDICATORS

The Scorecard uses the Agenda for Action's five key action areas to assess Europe's performance over time. The performance of each action area is measured by five indicators, both quantitative and qualitative. For each action area, there are three quantitative indicators, which are chosen from credible public sources. In addition, there are two qualitative indicators, which are based on survey responses from AmCham EU members.

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled €2 trillion in 2014 and directly supports more than 4.3 million jobs in Europe.

KEY FINDINGS

- In 2015, the composite indicator measuring Europe's performance across the Agenda for Action's five key action areas reached its **highest ever level since the scorecard began, rising to 3.56 out of a total score of 5.0**. The increase is driven by improvements in four out of the five action areas.
- **Europe has continued to play a key role on the global stage**, with performance improving in the fifth action area of *Lead by example towards global integration*. For AmCham EU members, **European regulation appears to be less of a barrier to industry than in the past**.
- European countries also displayed **notable improvements in building a more skilled workforce**. This is a key step towards solving the unemployment challenges facing several European countries. Improved workforce skills, alongside growth in economic activity, are key to maintaining the momentum behind the projected decreases in unemployment for 2015 and 2016.¹
- The EU experienced a **continued rise in broadband penetration**, suggesting that it is keeping step with the pace of global digital and technological change. Nevertheless, broadband penetration still remains substantially lower in much of Central and Eastern Europe, relative to Western Europe.
- Finally, **attitudes towards entrepreneurship are increasingly positive across Europe**. Firms reported greater satisfaction with innovation policies, demonstrating that **Europe is enhancing its efforts to foster innovation and entrepreneurship**.

PROPOSALS FOR POLICY-MAKERS

- Despite improvements in the key action area *Building skills for the future*, there are **still large skills gaps across European countries**. Levels of life-long learning and educational enrolment in Science, Technology, Engineering and Mathematics (STEM) subjects are still too low in a subset of EU countries. More could be done by policy-makers to close these substantial gaps.
- **Although the importance of further European policy integration is recognised in Brussels**, the analysis based on both qualitative and quantitative indicators suggests that **too little concrete change has been achieved in this area and more focus is needed**.
- Survey data suggests that more could be done in the areas of tax and economic policy and that **governments could still provide more support to innovation**. This analysis implies that policy, both at the EU-level and at the Member State-level, could be better tailored to the needs of companies.
- At the European level, survey data suggests that **policy-makers should increase efforts to encourage entrepreneurship and start-up activity**. Moreover, the quantitative analysis shows that there are large discrepancies in the levels of new business ownership across countries.
- Finally, the indicators on trade and global integration suggest that **European policy-makers could be doing more to make Europe a more attractive destination for investment**. Tariffs and regulatory barriers to trading with countries outside the EU continue to present challenges to companies.

¹ http://ec.europa.eu/economy_finance/eu/forecasts/2015_spring_forecast_en.html

Infac predictions anticipate that European unemployment will fall to 9.6% and 9.2% in 2015 & 2016 respectively.

With significant US investment in Europe, American companies are an integral part of the European economy. We are committed to growth, innovation and entrepreneurial dynamism in Europe.

On the back of political, economic and technological changes, business and government must work together towards a new sense of opportunity in Europe and move past debate towards concrete action. With a new European Commission and European Parliament recently in place, now is the time to lay the foundations necessary to build a sustainable and vibrant economic future for Europe.

As the representative of American business in Europe, AmCham EU issued an Agenda for Action 2014-2019 identifying five key action areas that, if implemented, will accelerate economic growth and vitality in the European Union over the course of the next five years.

The AmCham EU Agenda for Action 2015 Scorecard is updated and published annually to measure the progress the EU has made against AmCham EU's key policy recommendations for Europe.

