



EVOLVING EUROPE

Thought leadership project by COBCOE

Council of British Chambers of Commerce in Europe



Evolving Europe report

- Business sentiment on how reform could improve Europe's competitiveness
 - Findings sourced from quantitative and qualitative surveys, plus debates in London and Brussels
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- More than 40 countries across Europe, including all EU member states
 - Over 250 direct respondents
 - 14 quantitative and 4 qualitative questions
 - Circa 500 additional respondents through surveys by COBCOE members
 - More than 50% of direct respondents took part in extensive telephone surveys
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Key findings

Lack of internal and external competitiveness was identified as a major threat to Europe's future prosperity

Respondents overwhelmingly confirmed that EU reform should focus on:

- Regulation
- Finance
- Skills and mobility

All three are key to the overarching, essential factor of competitiveness

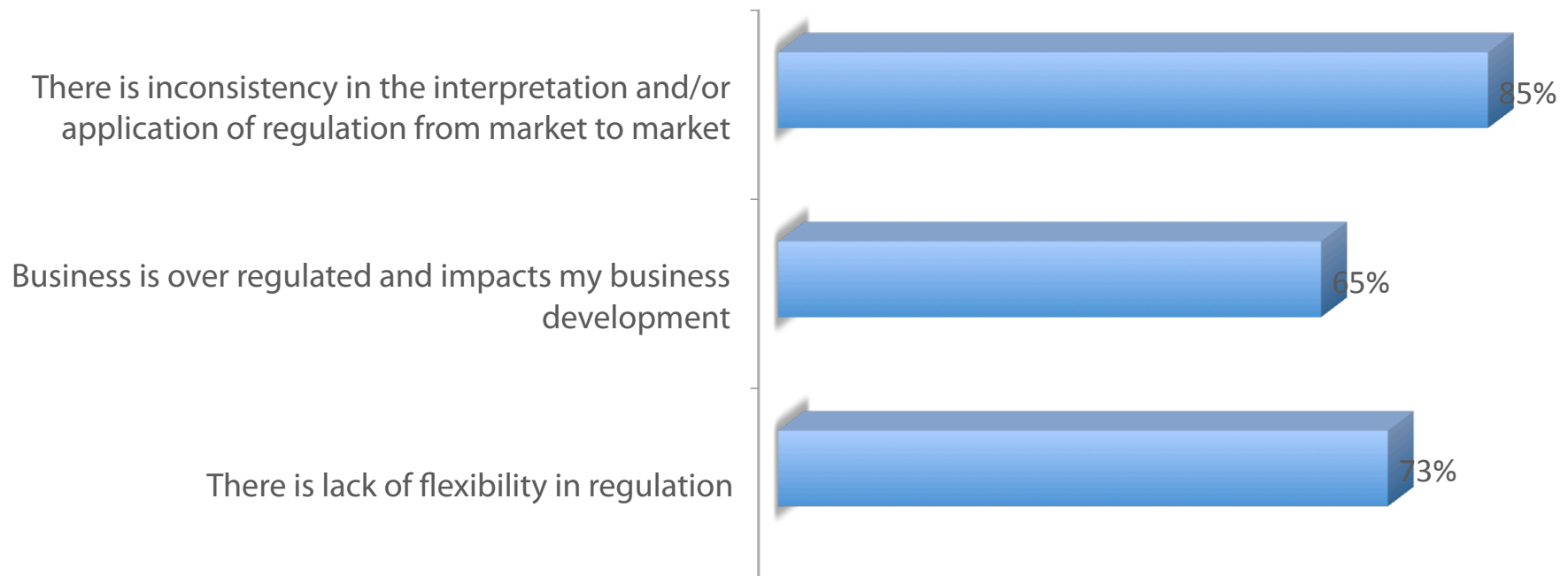


Regulation

- A lack of flexibility in regulation and over regulation was felt to hinder business development
 - Respondents overall looked for some influence over EU regulations – we should look to form a working partnership between business and regulators, assessing the impact of draft rules before implementation
 - This retains the idea of an ‘EU Brand’ and mitigates negative effects caused by an ‘umbrella’ approach to implementation
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Initial survey findings – regulation



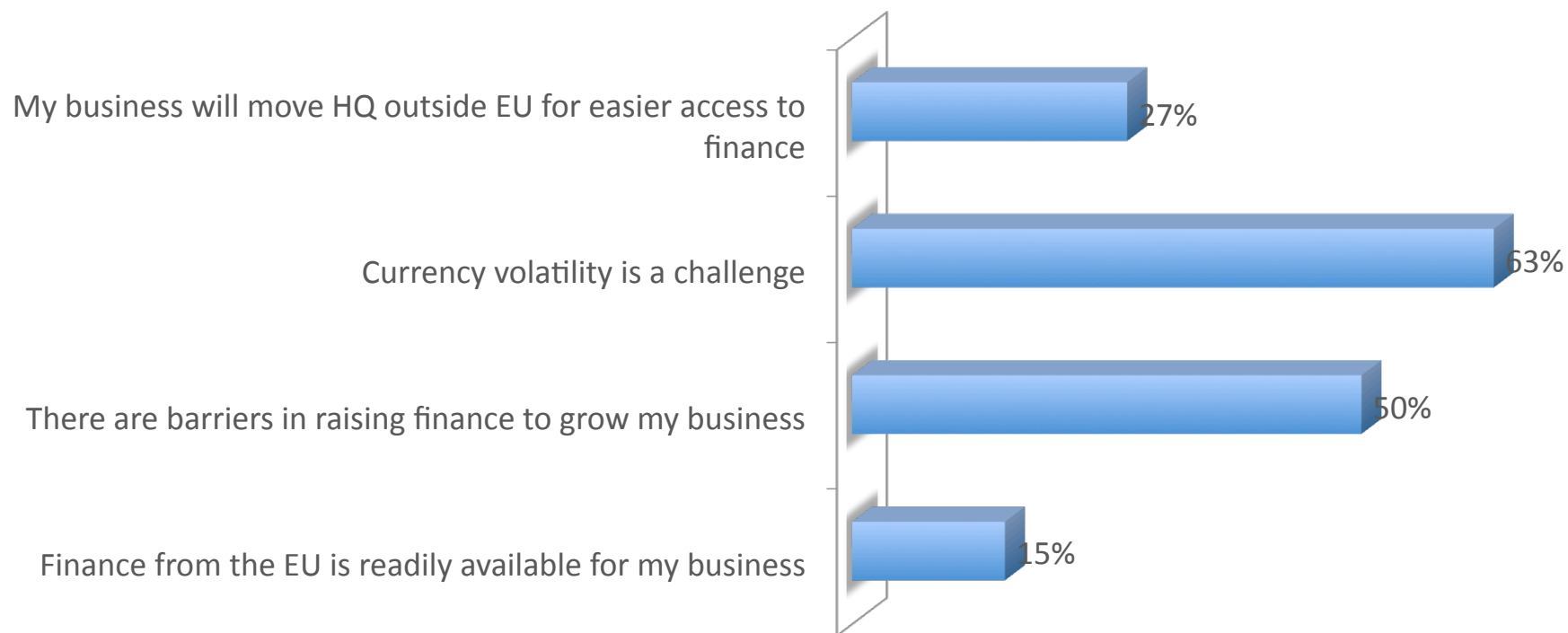


Access to finance

- Access to finance remains a key hindrance to promoting successful, healthy business
 - An SME funding misalignment has been caused by the pre-eminence of the banking sector in Europe, as opposed to the Private Equity/Venture Capital financial environment of the USA
 - EU reform needs to support access to finance for SMEs, particularly in innovative sectors such as technology
 - Banks were not perceived to be the go to partner for flexible financing for business growth
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Initial survey findings – finance



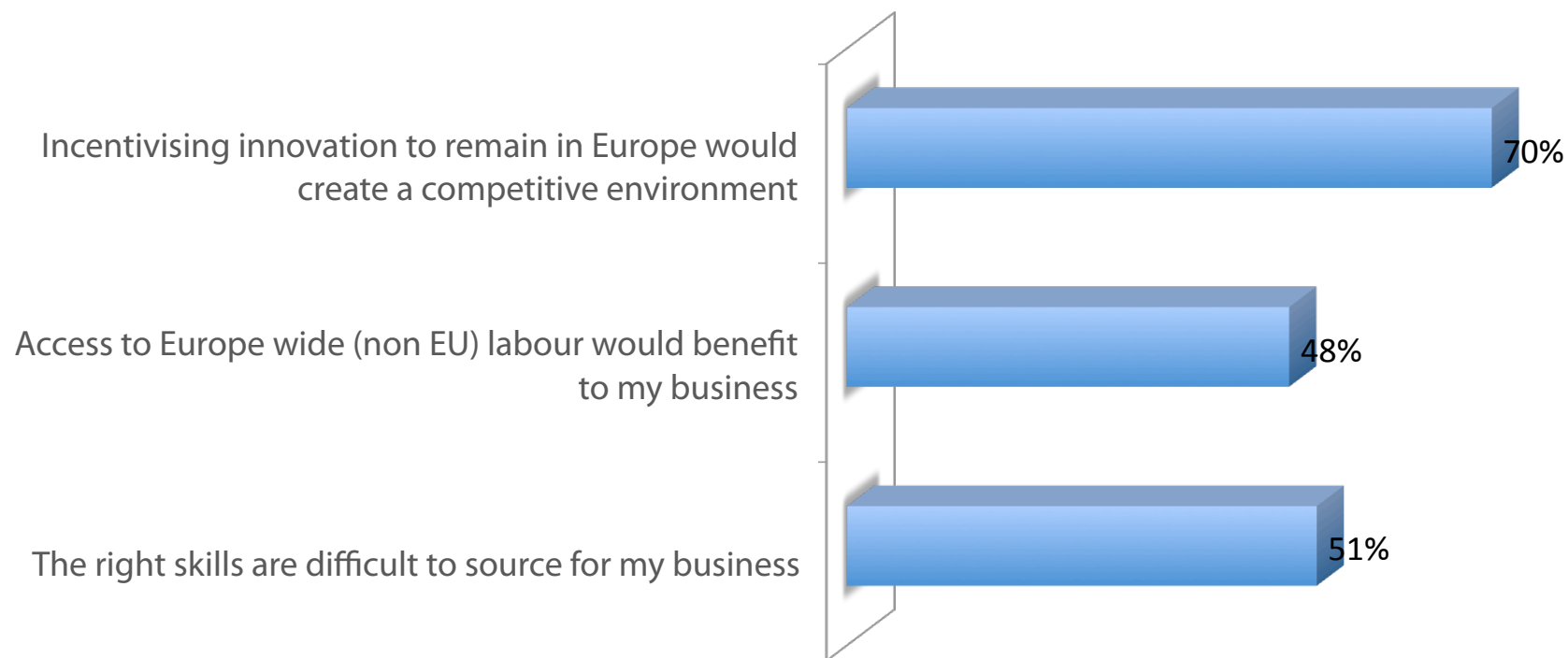


Skills Gap

- All respondents felt that a 'skills gap' existed across multiple business sectors
 - In order to maintain the competitiveness of the EU as a trade bloc, this must be closed
 - A potential solution would be to increase the ease of personnel movement across borders
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Initial survey findings – skills and mobility





Other issues affecting competitiveness

- Euro exchange rate volatility was seen as a significant trading issue for the respondents, both within and outside the Eurozone
 - Although, in general, respondents indicated a desire to remain within Europe, there was a sizeable minority (some 28%) who indicated that they would relocate
 - Desire to remain within Europe was influenced by respondents recognising the significant benefit of having both a strong national identity and brands, and a common EU identity umbrella
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Evolving Europe report recommendations

- Change the way in which regulation is drafted to reduce inconsistency
 - Establish a body within the EC to provide formal, homogeneous interpretation and implementation of regulation
 - Implement a single market in services before any other trade agreement is signed (e.g. TTIP)
 - Establish a Peer-to-Peer financing portal for SMEs to complement bank lending
 - Allow companies to recruit from outside the EU to fill the identified skills shortfall
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Why COBCOE?

- COBCOE represents over 40 British chambers of commerce and business organisations in Europe with a combined membership of around 8,000 businesses
- COBCOE is uniquely positioned to act on all these points of reform, providing a link between business and the wider regulatory, educational and financial sectors
- Ensuring the longevity of reform will require a comprehensive approach to counter growing extra-European threats to the trade bloc
- COBCOE, using initiatives such as the Evolving Europe project, will take every opportunity to push for such reform

For more information and to download the Evolving Europe report, please visit
www.cobcoe.eu
