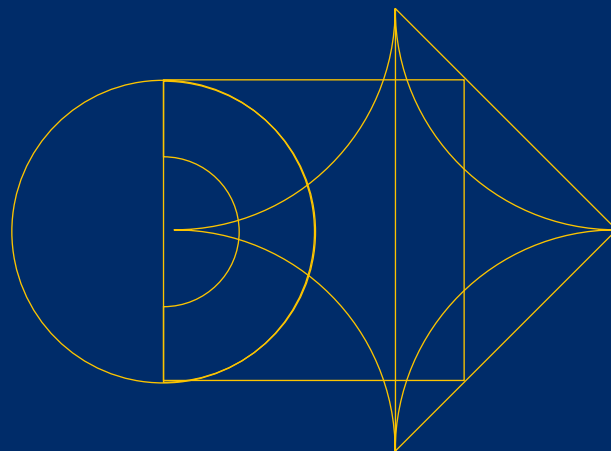


Attractiveness of Europe

**Agenda for Action
2024-2029**



Introduction

The attractiveness of Europe for investment is under threat. A heavy regulatory agenda, protectionist trends and sluggish growth have created a difficult environment for business in a context of global uncertainty. As they compete for investment worldwide, corporate leaders increasingly question the future of their operations in the region. Simply put: they struggle to make the case for investing in Europe.

For years, American companies have looked to the EU as a top investment destination and place to do business. Stability and access to a large Single Market constituted the core of the European value proposition. With it also came access to 400 million consumers, a large periphery with a growing middle class, world-class universities and research institutions as well as a highly skilled and productive workforce. These advantages can no longer be taken for granted.

The world has changed, too. The climate crisis, geopolitical tensions, social unrest and the rise of authoritarianism challenge the foundations of the global order and with it, the peace and prosperity it has helped secure. These circumstances call for decisive action and a strong partnership between the public and private sectors.

Europe's future does not have to be bleak. However, the EU policy agenda needs a reset. It requires taking a hard look in the mirror and asking some tough questions. Can the EU overcome Member State divisions leading to the



fragmentation of its internal market? Can its approach to policymaking change to encourage rather than constrain innovation? Can the EU manage the transition to a net-zero era with the same regulatory environment? Which international partners will it rely on in a multipolar world? How will the region resist inward-looking pushes and seize the benefits of an open economy?

Attracting investment is not an end in itself. Economic success leads to prosperity and security. It creates the conditions for thriving communities and the wellbeing of citizens. In turn, business also has a responsibility to shape a brighter future. American companies in Europe are committed to partnering with policymakers as they address the challenges of our time.

Our *Agenda for Action* outlines the three priority areas that should drive the European political agenda to strengthen the attractiveness of the region and tackle global issues:

- A competitive, sustainable and digital Single Market;
- A strong and resilient Europe on the international scene;
- and
- An equitable and democratic Europe.

With this vision, the American Chamber of Commerce to the EU (AmCham EU) stands ready to be a valued and trusted partner in shaping Europe's future.



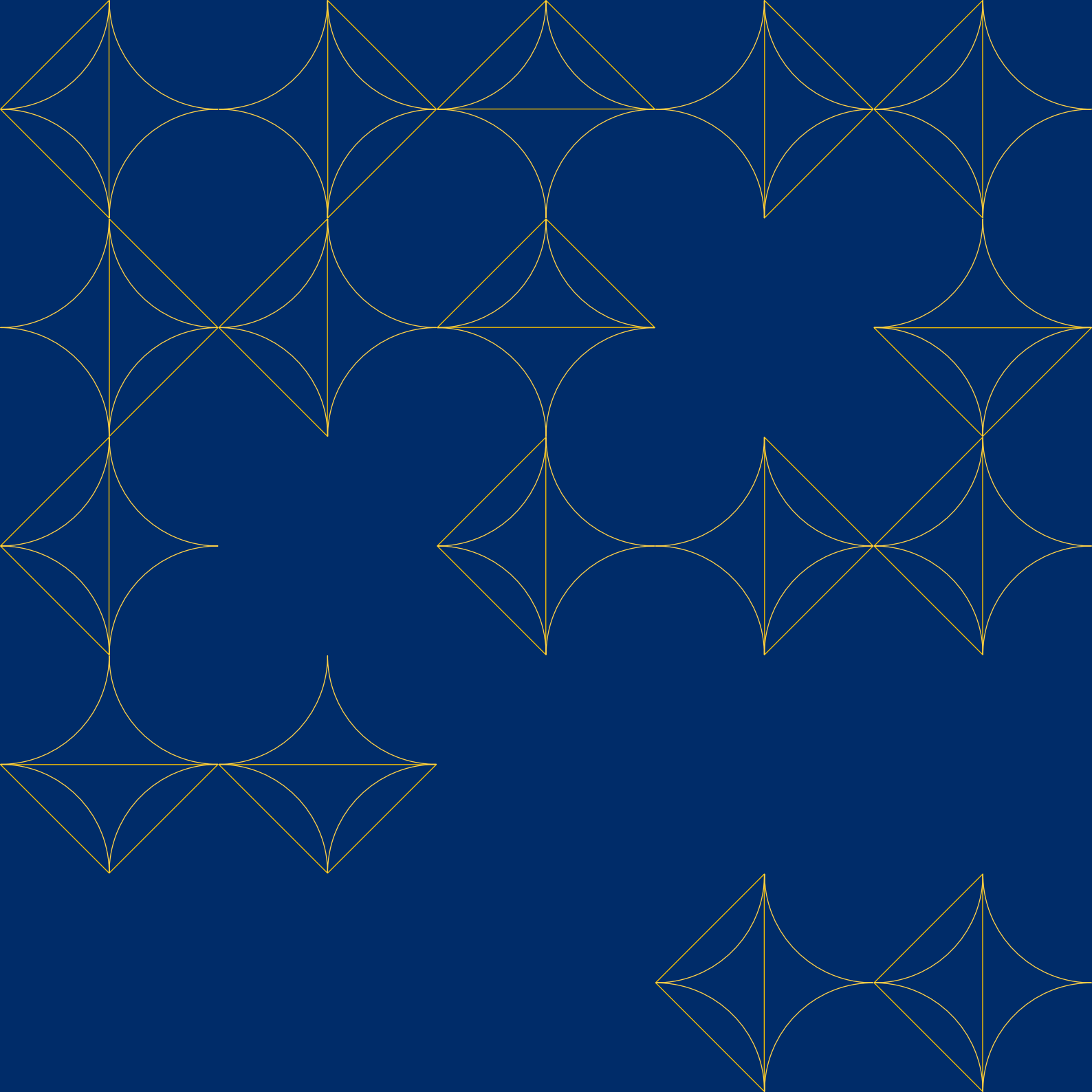
A competitive, sustainable and digital Single Market

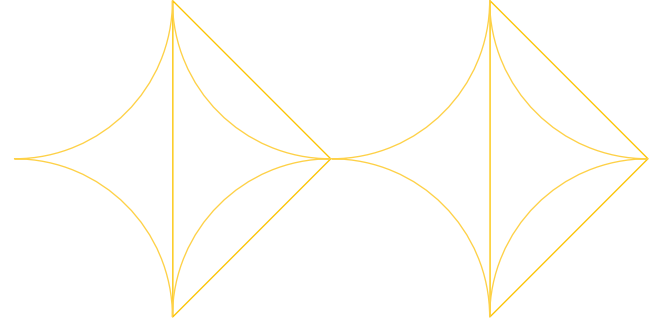


A strong and resilient Europe on the international scene



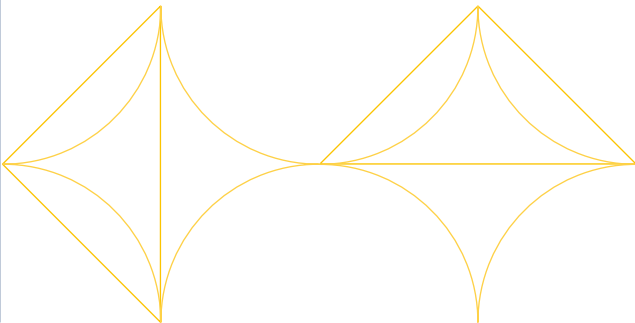
An equitable and democratic Europe





A competitive, sustainable and digital Single Market

In the 30 years since it was created, the Single Market has provided invaluable social, political and economic benefits for Europe. Beyond the free movement of goods, services, capital and people, it has made the private sector more efficient and has given consumers greater access to more affordable and varied goods and services. As the world evolves, the Single Market must continue to adapt. By reducing the regulatory burden, establishing the right framework for innovation and promoting the green and digital transitions, the EU can ensure it remains fit for today's economy.



Regulatory burden

While regulation can encourage fairness and innovation in Europe, in excess, it can create unnecessary administrative burdens and hinder the private sector's capacity to grow. Companies of all sizes are struggling with the volume and speed of regulation across sectors, as do EU and Member State authorities striving to enforce new and existing rules. Overregulation creates implementation challenges and a level of uncertainty that puts potential investments in the EU at risk, particularly as more and more funds are directed towards compliance and away from research and development.

Recommendations

- Ensure better harmonisation, coherence and certainty in legislation across Member States.
- Focus resources on enforcing, implementing and reviewing the effectiveness of existing legislation – including at the national level – rather than establishing additional frameworks.
- Establish more reasonable timeframes for implementation.
- Create new initiatives only if they strengthen Europe's competitiveness and if they are based on transparent, science- and fact-based consultation processes and impact assessments.
- Avoid unpredictable and retroactive measures, including windfall profit taxes or sudden changes to trade and investment requirements.

Innovation

For the EU to remain a leader in innovation, it must create frameworks that incentivise investments in research and development, including the scaling of new technologies. Both legislative developments and funding mechanisms have a role to play. The Single Market can serve as a platform to develop these frameworks and enable innovation across all Member States, including through public-private partnerships.

Recommendations

- Develop a robust and predictable intellectual property protection framework.
- Prioritise funding in innovation and ensure it is accessible to all technologies by, for example, drawing on European structural and recovery funds.
- Build a comprehensive and open Single Market for financial services, focused on market-led solutions that recognise the global nature of capital markets.
- Favour best-in-class public procurement selection criteria to support the uptake of innovative solutions and technologies with a focus on life-cycle cost, cybersecurity and green procurement.
- Protect the civil justice system from a regulatory trend that enables abusive litigation practices.

Sustainability

Transitioning to a greener economy is the challenge of our time. The EU has the ambition to lead this change, and the private sector will continue to do its part. With the harmonisation of environmental and climate policies and with clear targets and timelines, the EU can partner with companies to define and implement critical sustainability practices. Initiatives should strengthen the business case for decarbonisation and address the impact on competitiveness *vis-à-vis* countries with lower standards.

Recommendations

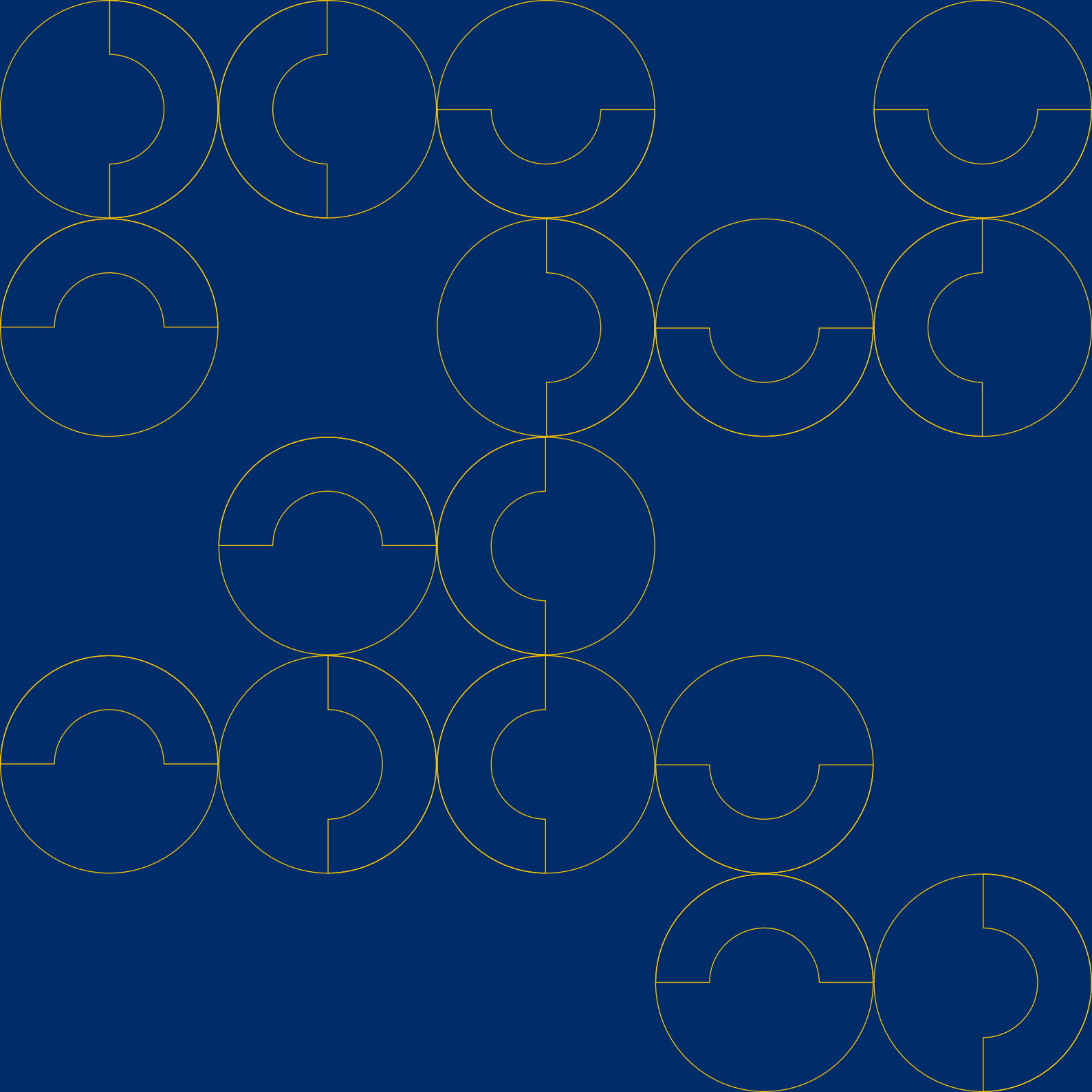
- Develop a consistent and coherent chemicals policy that supports a strong manufacturing base.
- Reduce energy demand while transitioning to low-carbon solutions with the support of simplified funding opportunities and incentives for all technologies that meet the EU's objectives.
- Maintain the value of products and resources as long as possible by harmonising the approach to waste, recycling infrastructure and technology, and by ensuring sustainable access to critical raw materials.
- Increase collaboration between the public and private sectors as well as adopt a more innovative regulatory framework to enhance agricultural productivity and ensure the sustainability, security and affordability of food systems.
- Encourage the conservation of biodiversity and increase access to clean and safe water.

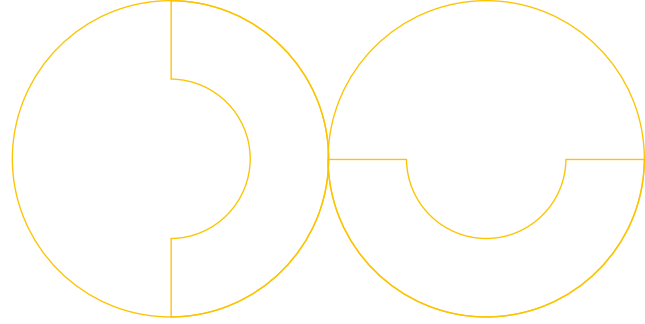
Digital

The digital transformation of the Single Market is key to building a more resilient and sustainable economy. Technology enables companies to increase efficiency, optimise operations and compete on a global scale. This requires Europe to invest in the digitalisation of the economy and recognise the role of business in contributing to this growth.

Recommendations

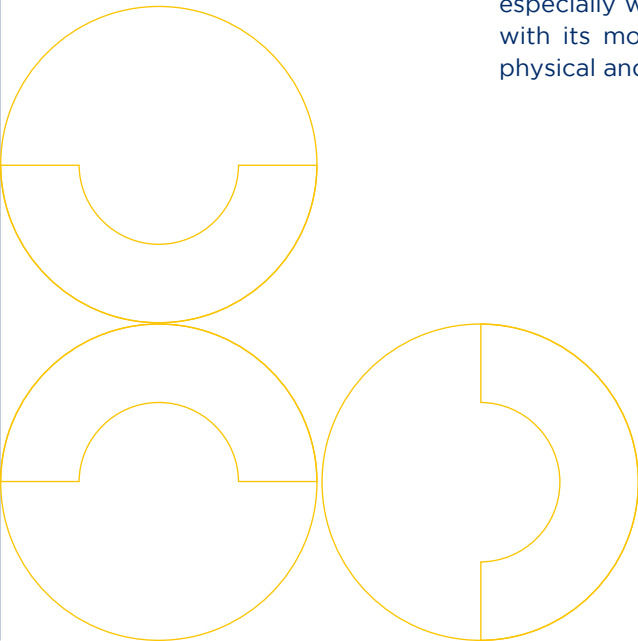
- Continue developing and investing in technologies, such as artificial intelligence (AI), quantum computing and 5G/6G, and ensure that regulatory frameworks remain flexible and responsive to rapid changes.
- Strike the right balance between regulating emerging areas, giving space for innovation, protecting trade secrets and fostering growth and trust.
- Boost Europe's semiconductor production capacity, ecosystem and supply chain resilience.
- Maintain, strengthen and protect international data flows.





A strong and resilient Europe on the international scene

From armed conflicts to economic instability, the world is facing an ever-growing set of challenges. To counter these and drive prosperity and security, the EU must play a leading role on the international scene and strive for enhanced global cooperation, especially with partners that share its values. It should also solidify its relationship with its most important partner – the United States – as well as strengthen its physical and online security and defence frameworks.



Trade

At a time when the benefits of trade are questioned, the EU should continue to promote an open, multilateral and rules-based system. Raising awareness of how trade works and the value it brings is critical, but it must also be inclusive and sustainable. The EU can make a difference by combatting illegal trade, exploring new channels of cooperation with reliable partners and advancing more sectoral agreements and partnerships.

Recommendations

- Advance and finalise bilateral free trade agreements and effectively implement and enforce existing ones.
- Cooperate with global partners to strengthen supply chain resilience and decrease strategic dependencies through diversification and de-risking.
- Ensure that the benefits of free trade reach all parts of society.
- Reform the World Trade Organization and engage with other members to resolve long-standing disputes.

Transatlantic relationship

Collaboration between the EU and the US is crucial to tackle global issues. Despite the ambitious transatlantic agenda over the last few years, there is scope for more progress. The EU and the US should demonstrate joint leadership in global fora to address areas such as digital, sustainability and security and take advantage of the opportunity to shape global standards that reflect transatlantic values.

Recommendations

- Deepen regulatory cooperation across the Atlantic to remove and avoid creating barriers to trade and investment.
- Strengthen platforms such as the EU-US Trade and Technology Council to tackle new and emerging issues arising from the transformation of our economies and include sustainable mechanisms for stakeholder input.
- Continue to develop transatlantic sector-specific cooperation initiatives, such as the EU-US Cyber Dialogue, Energy Council, Health Task Force and Security and Defence Dialogue.
- Align transatlantic efforts to support Ukraine's reconstruction, recovery and economic prosperity.

Security

The current geopolitical environment threatens the prosperity and safety of Europe and its allies. The EU must be prepared to face its present and future security and defence challenges. Recent geopolitical and industrial threats have already led governments to adapt their military requirements, modernise their legal acquisition frameworks and streamline qualification and certification processes. Creating a stronger EU Defence Technological and Industrial Base (EDTIB) is vital to further minimising risks.

Recommendations

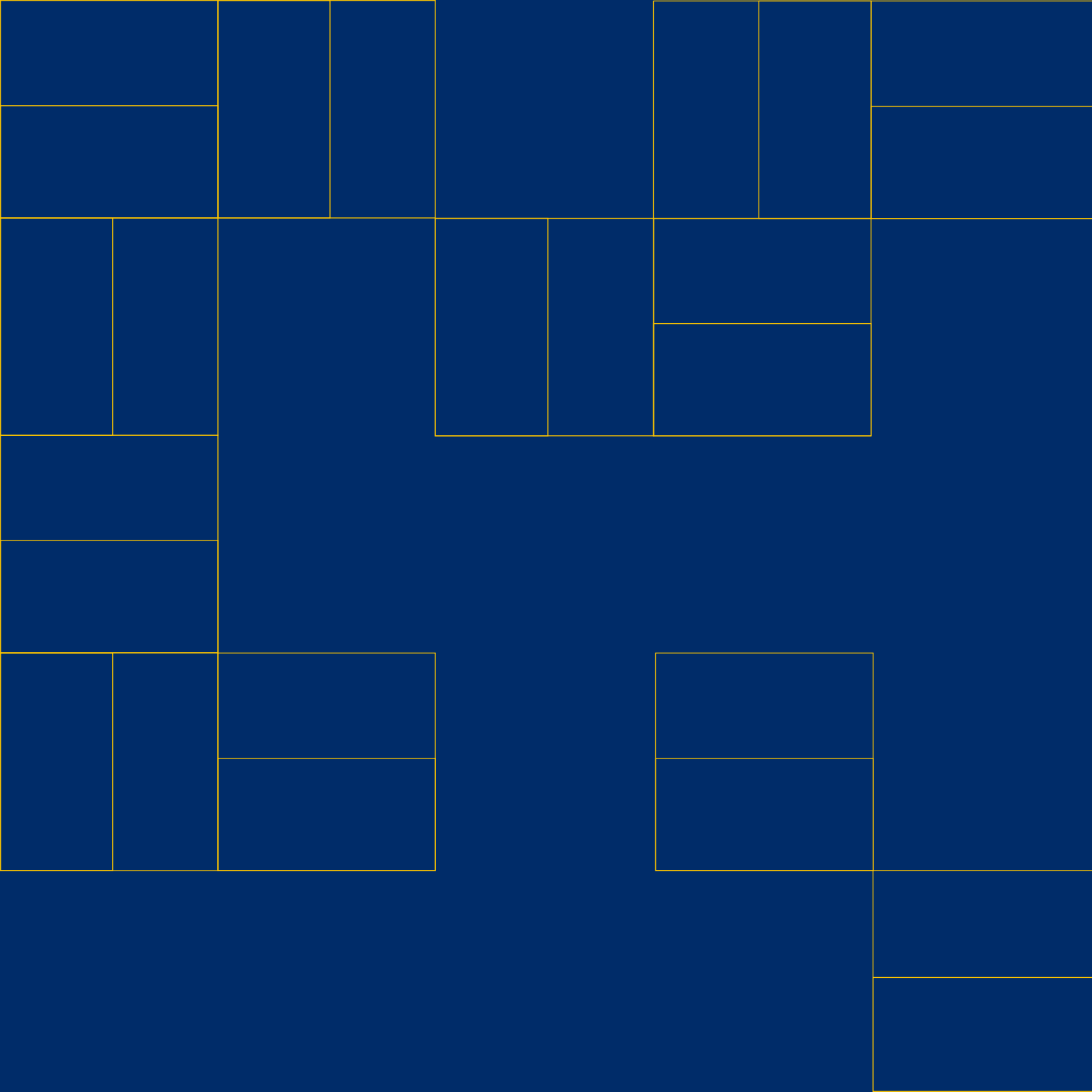
- Strengthen the EDTIB and create a more resilient framework for Transatlantic Defence Technological and Industrial Cooperation.
- Adopt a more flexible approach to joint intra-EU procurement, enabling governments to acquire the best available capabilities to ensure their territorial security.
- Facilitate the participation of third-country entities in the European Defence Fund and European defence industry through common procurement projects.
- Adopt an inclusive, market-driven and risk-based approach to cybersecurity solutions and ensure frameworks enable collaboration between like-minded public and private partners.

Global standards

The case for global cooperation has never been stronger than in recent years. Companies operating around the world rely on common standards for their operations. The public and private sectors must work together to create new legal and technical tools, align frameworks and ensure interoperability. For the EU to remain at the forefront of innovation, it should apply an approach to standards that recognises the expertise of industry players.

Recommendations

- Enhance international cooperation to facilitate the adoption of globally coherent rules, standards and regulations.
- Prioritise the use of voluntary standards developed in accordance with global trade rules and develop European-specific standards only when issues are not addressed at the international level.
- Align EU and US approaches on emerging technologies and strengthen their cooperation to set global standards.
- Design future tax policies that promote global cross-border trade, investment and economic growth.



An equitable and democratic Europe

Europe's attractiveness – for investment and for the people who make and benefit from those investments – depends on fair and resilient institutions and societies. These, in turn, are founded on shared values, effective governance, strong relationships with regional partners, an emphasis on inclusion and a workforce equipped for the future. The public and private sectors, along with partners in civil society, have an important role to play in strengthening each of these fundamental pillars.

Skills

As the EU's economy evolves, so does the nature of work and expertise required to maintain Europe's attractiveness for investment. Many sectors experience labour shortages, and the mismatch is growing between the skills that workers have and the skills that companies need – especially in the digital and sustainability sectors. In this context, business plays a critical role in developing training schemes and supporting the development of a qualified workforce in Europe.

Recommendations

- Facilitate cooperation between industry, the education sector and Member States to develop practical internships, apprenticeships and work experiences for students at any stage of learning.
- Support business-led upskilling and reskilling initiatives, and incentivise employers to set up training schemes, including through tax incentives.
- Increase investment in training for basic and advanced digital skill as well as support science, technology, engineering and mathematics programmes.
- Standardise certifications to enhance their recognition across the EU.
- Support youth programmes to foster human skills and exchanges such as Erasmus+ and Erasmus for Young Entrepreneurs.

Inclusion

While the 21st century has improved Europeans' livelihoods, raised living standards and improved connectivity, stark inequalities continue to exist. Many of Europe's diverse communities have unequal access to healthcare, education, housing and economic opportunities. Any type of discrimination threatens to hinder economic, political and cultural progress across the EU. Government, business and civil society must work together to provide equal opportunities that give everyone the chance to live healthfully and thrive economically.

Recommendations

- Support the economic integration of migrant populations through public-private partnerships.
- Support industry-led initiatives to promote diversity and inclusion in the workplace.
- Prioritise investment in the life sciences and commit to long-term planning to strengthen the resilience of health systems and improve outcomes for patients.
- Address misinformation by using advanced technologies such as AI for large-scale detection and strengthening partnerships with industry and civil society to enhance media literacy.

Democracy

In the current geopolitical environment, democratic values appear to be challenged from all sides: Russia's war of aggression against Ukraine and the violation of its sovereignty, the proliferation of misinformation and social changes wrought by economic inequalities. To counteract this democratic backslide, the EU must ensure a stable environment for citizens and business alike by aligning its actions with the shared values of democracy, rule of law and human rights.

Recommendations

- Continue to condemn Russia's unlawful invasion, cooperate with the international community and stand with the people of Ukraine.
- Counter anti-democratic developments and the erosion of the rule of law that threaten the region's values, stability and security.
- Serve as a springboard for democracy and stability around the world.
- Emulate European values by enhancing transparency in EU decision-making processes.

Future of the EU

In this pivotal moment, the future of Ukraine is deeply connected to the EU, as is that of other European countries that share the region's values. Before considering accession to the EU, all candidate countries must meet rigorous criteria in the areas of economic stability, rule of law and corruption, among others. However, the EU's current governance structure would also need to evolve to effectively integrate a larger number of Member States.

Recommendations

- Partner with Ukraine and the private sector in the country's recovery and reconstruction by enabling market access, supporting reforms and investment and creating public-private partnership platforms.
- Support the accession of Ukraine as an EU Member State once it has met all membership criteria.
- Put forward models other than full EU membership for countries that do not seek accession, are unable to meet accession criteria or have a strong relationship with the Union, such as the UK.
- Evaluate and adapt the EU's current governance structure to ensure it can be effective and efficient with an expanded membership, including potentially distinct levels of membership with differing levels of integration.

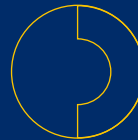
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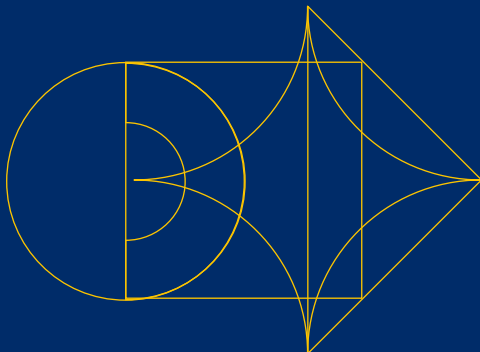
A competitive, sustainable and digital Single Market

- Regulatory burden
- Innovation
- Sustainability
- Digital



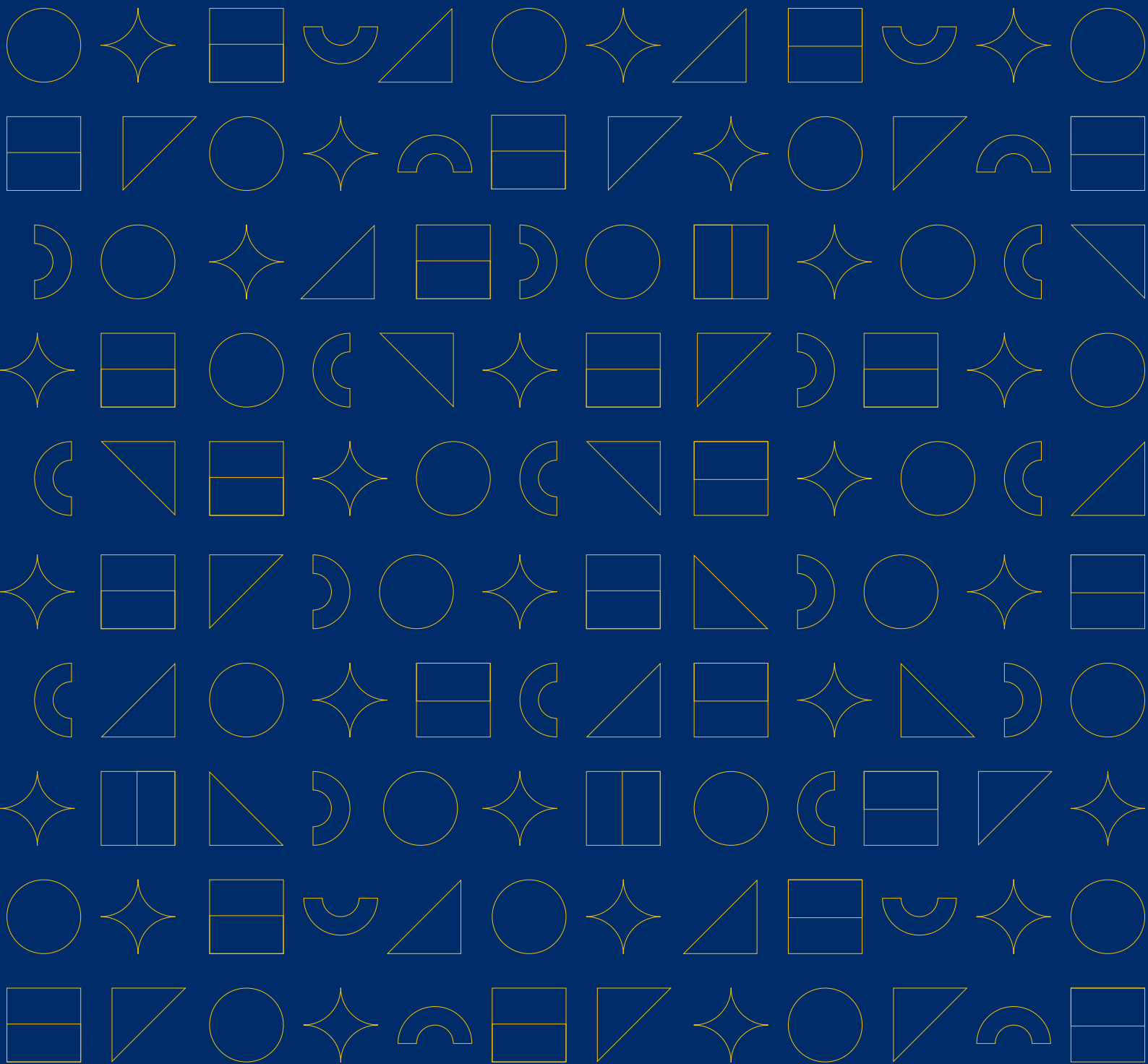
A strong and resilient Europe on the international scene

- Trade
- Transatlantic relationship
- Security
- Global standards



An equitable and democratic Europe

- Skills
- Inclusion
- Democracy
- Future of the EU





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 more than €3.7 trillion in 2022, directly supports more than 4.9 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

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