

Resolution on the European Council conclusions of 7-8 February 2013 concerning the Multiannual Financial Framework

2012/2803(RSP) - 18/02/2013

The Council held debates on the [Annual Growth Survey 2013](#) as part of all relevant Council deliberations in preparation for the **spring European Council on 14 and 15 March 2013**.

The debate was structured in accordance with a Presidency document, which contains the opinions of the High Level Group on Competitiveness and Growth¹ and of the European Research Area Committee (ERAC).

The Presidency document focuses on the following:

(1) **Only a strong and innovative EU** will be unable to compete in emerging sectors and technologies with the growing powerhouses of other continents, in particular emerging economies. Three aspects are highlighted:

- in a situation where there is little scope to boost growth on the basis of macroeconomic policies, growth will derive from increased productivity and higher added value through **innovation, research and education/upskilling of human resources, labour market flexibility and reforms and strengthening and deepening of the internal market**;
- European Union instruments for **lending to SMEs** and funding for research and infrastructure investment will also play an important part;
- **private sector investor leverage** could multiply the impact of public policy measures significantly.

(2) **Increased industrial competitiveness** is a strong driver of growth and employment. It is important to stick to long-term-oriented growth-enhancing policies that can boost productivity of European industry and services sectors and thus the competitiveness of the EU economy. Furthermore, price competitiveness and on-going industrial restructuring will help Member States boost their exports.

(3) The increasingly important role of global value chains for EU industry requires a **different approach to industrial policy. Reducing barriers to trade will help more SMEs export and accelerate their internationalisation**. Only 13% of SMEs export outside the EU.

(4) For the first time, **the Single Market is more closely aligned to the European Semester** by including a report on the State of Single Market Integration 2013 in the AGS package. The inclusion of surveillance of the Single Market in the entire European semester process will help to reap fully the benefits of a Single Market and the highest purchasing power of the world.

(5) **Research and innovation** has an important role to play in boosting competitiveness, growth and jobs. Continued progress by Member States towards meeting their Europe 2020 commitments on R&D investment will make a valuable contribution. In this respect, it is paramount that private investment in R&D complements public efforts to reach the 3% objective for research investment in the European Union. However, in the context of pursuing differentiated, growth-friendly fiscal consolidation, the efficiency and effectiveness of this investment is critical.

Ministers raised a full range of policy recommendations as drivers of growth, investment, innovation and job creation, which include:

- **continued support for SMEs**, access to finance and the entrepreneurship agenda, including support for the external competitiveness of EU companies;
- rapid completion of the [Single Market Act \(SMA\) I](#) and moving forward with the [SMA II initiatives](#) initiatives bearing in mind the completion by the end of the current parliamentary cycle in 2014 at the latest;
- maintenance and strengthening of the **EU's industrial base**;
- pressing ahead with the implementation of the **Services Directive**, the digital single market and the e-Government initiatives;
- strengthening **investments in research and innovation**, including various forms of public support to research and innovation, such as tax credits, public procurement, public-private partnerships and support for venture capital;
- using effective means to leverage **private financing** for research and innovation, as well as measures to overcome barriers to the take-up of financing instruments by SMEs;
- implementing the commitments of the Innovation Union strategy and giving greater prominence to the **removal of obstacles with a view to completing the European Research Area**;
- preventing the risks of shortages of skilled labour;
- promoting initiatives that support **commercialisation of research results** and the development of technology start-ups in order to create new high value-added jobs, including those measures aimed at reinforcing the links between universities and business and promoting the formation of innovation clusters.