Competitiveness of the European industry

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Reporting on the Commission working paper entitled "The competitiveness of European industry", Gérard CAUDRON (F, PES) notes that much remains to be done to improve the position of European enterprises. European industry is continuing to perform honorably in its traditionally strong sectors (engineering and metal working, chemistry and pharmaceuticals) even if its performance lags behind of its Japanese and American competitors and even if this trend does not appear to have altered in recent years. The rapporteur expresses its concern about the tax burden borne by enterprises compared to their profitability and, on the other hand, the effectiveness of the methods employed by EU firms to boost their productivity. According to CAUDRON, the Commission's analysis fully justifies the application of a European industrial policy and underlines the importance of the macro-economic aspects of this policy, based on the interdependence of the economies. It is essential to ensure a financial environment more favourable to business is cretated, which will - of course - be assisted by the introduction of the euro. The rapporteur also firmly supports the principle of coordinating and harmonizing fiscal policies, particlarly those aspects relating to the various forms of company taxation. Competition policy is also an intrinsic component of industrial policy as it guarantees all companies the same conditions of development. Therefore, a competition policy must be coordinated with reserach and innovation policy to the extent that it corresponds to an industrial strategy and must be asserted in the EU's trade policy, as was possible recently in the case of the MacDonnell/Douglas/Boeing merger.