Competitiveness of the European industry

1996/2230(COS) - 13/11/1996 - Non-legislative basic document

OBJECTIVE: to assess the performance of European industry and the European economy in general. CONTENT: growth in Europe has been far slower than growth in America over the past five years, even though current forecasts announce a net upturn. This is the finding made by the Commission in its working document on the competitiveness of European industry. The Commission report contains a fairly contrasting account of the European Union's performance and stresses that the competitiveness of European industry is hampered by a number of structural weaknesses: - a real sectoral weakness in the field of information technologies and, to a lesser extent, in certain aspects of biotechnology; - a lack of both public and private investment, which appears to be the cause of the low level of European productivity; - the tax burden borne by companies compared to their profitability; - mediocre results in the area of innovation despite the potential for diversified and complementary research; - the poor "visibility" of European industry, which lacks the overall coherence of American or Japanese industry; - the problem of adapting to technological changes at the turn of the century, in particular with regard to information technologies. Apart from the technological aspect, Europe appears to have a cultural difficulty in making the sea changes imposed by present and future developments, at employee, enterprise and administrative level; - a insufficiently coherent and stable European environment. The internal market has still not evolved into a genuine "domestic" market: divergent economic policies, variations in exchange rates in 1992-1993 and against the dollar over the last decade have done little to promote the competitiveness of European companies. The Commission calls for enterprises to integrate competitive structures and to open up to the European and world markets and reiterates the advantage of "benchmarking". The Commission considers this method of evaluating and comparing the performance of enterprises to be one of the best ways of increasing competitiveness.