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Welcome words to Manufacturing Forum Breakfast:
Matching the EU environmental agenda and trade strategy
Perspective of the machine tool industry

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Good morning Ladies and Gentlemen. As Chair of the European Forum for Manufacturing I would like to welcome you all very warmly to this breakfast event.

I am very much aware that the European Machines Tools Industry is where manufacturing begins.

I was particularly impressed to learn that CECIMO covers more than 97% of the total machine tool production in Europe and almost two-fifth of the global output. I am also impressed by the fact that so many of the successful companies in this field are SMEs.

All of us here know how a strong manufacturing industry is key to a prosperous EU. Today in the Union, manufacturing provides jobs for over 34 million people. It also accounts for three quarters of EU exports and provides over 80% of EU private sector R&D expenditure. There is however a lot of untapped potential in European manufacturing and certainly more can be done moving forward.

Just last week, President Juncker presented his investment scheme, an impressive undertaking, which will certainly also benefit European manufacturing.

While the plan does not single out manufacturing directly, it will boost the industry indirectly. This will happen via the setting up of a new European Fund for Strategic Investments (EFSI), via a centralised project investment pipeline at EU level and support for project development through new technical assistance programme. Finally, the plan will also leverage the potential of the single market, with an emphasis on its energy, digital, transport and Capital Markets Union dimensions. We also know that the fund will emphasise strategic projects in infrastructure (including broadband, energy and transport), education, research and innovation and renewable energy and energy efficiency.

Let me mention some of the highlights of the fund. The latter aims to leverage 15 times €21bn provided by Commission budget (€16bn) and EIB (€5bn) in guarantees with the aim of enabling EIB investment in projects which in turn crowd-in private investment to generate €315bn investment capacity. The fund will guarantee EIB investment in equity and mezzanine tranches of projects to incentivize private investors to invest in senior tranches. It will thus seek to reconcile EIB conservative risk-appetite, while protecting the AAA rating along with the need of the EIB to invest in higher risk projects.

The Commission will incentivise national promotional bank capital contributions to the fund by excluding contributions from national budgetary deficit calculations (more specifically from the excessive deficit procedure). The aim is to have national promotional banks contribute to boost the Fund's firepower either at the level of the Fund (through guarantees) or by co-financing various projects (alongside the EIB).

The plan also intends the set-up of a joint Commission-EIB-Member State Task Force to provide a project pipeline based on EU-added value. Projects with high socio-economic returns, those with reasonable expectation for capital expenditure in the 2015-2017period and the potential for leveraging private sources of funding will be prioritized.

But it is not only the Juncker plan that promises to bring growth to Europe. We must remember that we also find ourselves in the midst of a unique trade negotiation with the US for the TTIP.

The US and the EU have been discussing free trade for more than two decades now, with no significant progress in the discussions. The timing is better today for a number of reasons. Firstly, both the US and the EU are still affected by the crisis episode and need growth. Secondly, trade negotiations at the global level are facing difficulties. The famous Doha round of the World Trade Organisation has delivered limited success. An EU-US trade deal could give a boost to global trade negotiations and provide a blueprint for future deals. Thirdly, globalisation is transforming the world we live in and global power is moving from the West to the East. The TTIP would offer the EU and US a chance to reassert their leadership in the world economy.

TTIP negotiations began in June 2013. We have had seven rounds of negotiations thus far; the last one took place in September. We have made progress over the last years but still bottlenecks remain across a range of sectors, from financial services to data privacy and GMOs. We have also witnessed a change in negotiating strategy, and we see that the parties are slowly moving from a discussion of all themes in every negotiating round to focusing on a selection.

Unfortunately we are also facing a lack of public support of the TTIP, particularly in Europe. We need to change this. If we are to achieve this aim however, we will also need to push for a different rhetoric on the TTIP. All the time we hear that concrete gains of up to 0.5% of GDP are expected in Europe and 0.4% in the US by 2027. This is certainly important but if we want to legitimize the deal we will have to make it concrete and show how consumers and SMEs will benefit from it. Also, while dealing with the intricacies of the deal we must not forget about its strategic importance. Europe cannot afford to waste the momentous opportunities offered by the TTIP.

Before I hand over to our speakers this morning, allow me to conclude with a few words on the European Forum for Manufacturing. The Forum was founded following a speech by former Vice President Verheugen in this Parliament in 2009. It is led by MEPs from the main political parties and I am very pleased to have taken over as Chair from Malcolm Harbour, former Chair of the Internal Market Committee.

The purpose of the European Forum for Manufacturing is to help ensure that Europe remains a manufacturing leader and benefits fully through enhanced global competitiveness, social progress and environmental responsibility.

I would now like to hand over to Clare Moody, a fellow of MEP from the S&D Group who will take over as Chair and brief you on.