



IV-PRIORITIES

FOR THE ELECTION TO THE EUROPEAN
PARLIAMENT & EU LEGISLATIVE TERM 2024-2029





CONTEXT

The European Union is currently facing a multitude of crises and challenges, most notably the Russian invasion of Ukraine, posing unprecedented security policy challenges for Europe. Establishing a Europe capable of defence is necessary to permanently preserve the European (rules-based) democracy and prosperity model for future generations.

Europe is losing global competitiveness: Parts of the European economy are still grappling with exogenous crises of recent years and the global economic relevance of Europe is gradually decreasing, only partly explained by the strengthening of new players like China and India. In addition to massive regulatory costs, high energy costs, higher labour and capital costs, lengthy approval processes, and generally difficult investment conditions in international comparison collectively weigh heavily on Europe's globally operating companies.

The EU increasingly views international trade policy or legislative proposals in the area of sustainability as instruments for global improvement – without taking economic feasibility into account in its assessment. In addition, corporate management is now exposed to regulations and potential penalties from various fields of law that go beyond the prevailing „precautionary principle“ in Europe.

Europe runs the risk of jeopardising its future if it continues to lose itself in protracted decision-making or dissent, or if it becomes increasingly paralysed by regulatory micromanagement. Instead, Europe must improve its internal reform capability, define its strategic direction for the next 10-15 years, and confidently represent its strengths and interests outwardly. As far as the Federation of Austrian Industries is concerned, this course correction must cover the following core areas.

7 KEY AREAS FOR A FUTURE-PROOF EUROPE



1 CONFIDENT & ACTIVE FOREIGN TRADE POLICY IN THE FACE OF GLOBAL CRISES

Europe's greatest strength is and remains its economic power, especially in international comparison. At the same time, it has been recognised that foreign trade policy must increasingly be viewed from a security policy perspective. In future, the European Union will have to find ways to expand the circle of partner countries. The call for „strategic autonomy“ must be complemented by the basic principle of „openness“.

- Continuing the expansion of **free trade and investment protection agreements** is necessary, both from an economic and geostrategic point of view. Expanded market access to essential raw materials contributes to the diversification and strengthening of Europe's supply chain resilience.
- Europe's **support for the World Trade Organisation (WTO)** must be continued and expanded. Competition-distorting subsidies, especially from China, as well as the blockade of the appellate body of the essential dispute settlement body undermine the WTO as a central global institution regulating trade and economic policy.
- Legitimate policy objectives of a different nature, for example in the area of environmental, social and migration policies, must be pursued with caution **so as not to jeopardise the EU's urgent interests in the area of trade and foreign trade policy.**

2 STRENGTHEN THE EUROPEAN SINGLE MARKET

The greatest potential for growth and employment lies in the further development of the single market. According to projections from the European Commission, the growth potential associated with the completion of the single market amounts to EUR 713 billion by the end of 2029. It is imperative to capitalise on this untapped potential for the benefit of Europe's economic advancement.

- **Make deepening the single market a top political priority:** Completing the EU single market across all sectors must once again become a focal project for the future of European policy.
- **Reduce bureaucracy and avoid excessive burdens for companies:** Enhance cost competitiveness to reduce cumulative regulatory costs for companies.
- Europe's competitiveness cannot **be built on subsidies – state aid should remain limited in time and must be carefully calibrated.** Targeted state or European subsidies can be justified to support energy-intensive companies in their transition, support the development of the necessary infrastructure and **secure EU initiatives for research and technology development.**
- **Streamline procedures for the European economy:** We must enable the comprehensive acceleration of permitting processes for the entire economy across Europe, secure it for energy and infrastructure projects and raise the general level of ambition. This requires a structured dialogue and the exchange of best practices between the European Commission, national approval authorities, and industry at the EU level.

3 CURB REGULATORY OVERLOAD

The bureaucratic burden has been growing steadily for many years. Uncoordinated action at European, national and regional level has resulted in a web of redundancies and parallel structures which is often difficult to navigate and fulfil and requires a high level of resources. Excessive reporting requirements translate to an enormous administrative burden and compliance costs for companies, thus hampering increased investment activity.

- In the spirit of subsidiarity, the EU must limit its activities to basic requirements. This principle, which has recently been violated on multiple occasions, must be reinstated as a guiding principle, particularly in the areas of ecology, energy and climate policy.
- **Ensure evidence-based legislation:** Impact assessments must be improved and adhered to. Every future legislative initiative should thus be accompanied by **binding impact assessments** that analyse potential economic, environmental and social impacts equally and comprehensively and examine options for action in a neutral and fact-based manner. The cumulative effects on the EU's competitiveness in global competition must be taken into account. Any changes made by the Council and the European Parliament in the ongoing legislative process must be reviewed by means of **complementary impact assessments.**
- Member states are urged **to refrain from excessive national implementation of EU directives ("gold plating").** Maintaining consistency in the implementation of European initiatives is crucial for business activities to prevent competitive disadvantages within the internal market.

4 SUSTAINABLE TRANSFORMATION IN LINE WITH INDUSTRIAL POLICY

Preserving the competitiveness of the economy is essential for effective climate protection. In sectors driving the development of new technologies and innovative solutions, the Green Deal opens up opportunities. However, the extensive expansion of climate legislation is resulting in a cumulative tightening of rules, imposing corresponding burdens on those affected.

The European industry, however, needs flexibility and openness to technology. After all, the entirety of the economy must be taken along on this transformative journey, leaving no sectors behind.

- Long-term climate neutrality demands a **pragmatic evaluation of the economic impacts** of legislative Green Deal initiatives, coupled with a commitment to technological adaptability.
- Promising technologies for the transformation of the manufacturing industry necessitate ample **support for market transition, investment and financing requirements**. Notably, climate-neutral hydrogen has the potential to emerge as the pivotal energy source for industrial processes.
- Prioritising the **rapid expansion of the energy infrastructure across Europe** is imperative, given that the **availability of energy at competitive prices is a critical factor for a successful business location**.

5 ENCOURAGE EUROPEAN INVESTMENT AND SCIENTIFIC & TECHNOLOGICAL EXCELLENCE

The EU has successfully created a range of financial instruments to promote research, technology development and innovation, as well as cross-border investment. In the long term, however, the stimulation of private and public investment and the massive mobilisation of private capital are crucial. In addition to the successful expansion of the Capital Markets Union, this urgently requires the strengthening of venture capital financing.

In addition to maintaining its price competitiveness, the EU must endeavour to further expand its scientific excellence, technological expertise and technological leadership in order to be successful on the global markets. While research and development expenditure in the EU stood at 2.2% of the EU GDP in 2021, the United States reported a significantly higher figure (3.4%).

- The upcoming **EU budget (Multiannual Financial Framework)** must be orientated towards future issues and clearly aim to strengthen competitiveness – for example through research, technology development and location attractiveness.
- Over the past ten years, we have experienced a **period of intensive regulation in the area of digital technologies**. New rules should only be introduced if a genuine market failure is identified and the current regulatory framework has been fully implemented across the Union.
- The **future Framework Programme for Research („FP10“)** should ensure an ambitious overall budget of at least 200 billion euros, effectively doubling the current allocation for future industrial sectors.

6 SKILLED LABOUR, SKILLS FOR THE FUTURE & EUROPEAN SOCIAL POLICY

The prevailing labour shortage and the mismatch between skills supply and demand have a negative impact on businesses and society. The EU needs to focus on addressing these problems and move away from a predominantly regulatory and overly prescriptive approach to European social policy.

- Increasing **intra-EU labour mobility** and standardising the **recognition of qualifications** are important steps to combat labour shortages.
- The proposed **talent pool** must be used to make Europe a **more attractive destination for the skilled labour needed from third countries**.
- When regulating **algorithmic management** in the workplace, companies must be given the **necessary leeway to develop responsible and ethical approaches to working with AI technologies**.



7 STRENGTHEN THE EU'S CAPACITY TO ACT

Primarily with a view to EU enlargement policy, there is room for improvement, if not a need for reform. The accession negotiations must not be limited to technical details, but also require a debate on the necessary adjustments to governance and budgetary issues.

The stability of public finances is just as crucial for the EU's capacity for action. The suspension of the Stability Pact has led to an increase in debt. The consolidation of national budgets and structural reforms in the eurozone countries are indispensable for the stability of the monetary union.

- The IV supports the European ambitions of the nine EU candidate countries while adhering to the **performance-oriented approach** in the accession negotiations. **Gradual integration** towards full membership is the right way forward.
- The **instruments of the economic and monetary union must be further strengthened**. **Any future new EU own resources** should only be introduced on a revenue-neutral basis and the proceeds should be earmarked for specific purposes, above all for investments that make sense in terms of industrial policy.
- The **development of a future European security architecture** requires close security policy cooperation and the elimination of fragmentation in the procurement systems of EU member states in order to create an **EU-wide internal market for defence equipment**.



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IMPRESSUM – LEGAL NOTICE

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Central registry of associations: 806801248, registry for interest representation and lobbying: 00160, EU-Transparency Register No.: 89093924456-06
Purpose of the association according to § 2 statutes: The purpose of the Federation of Austrian Industries (IV) is to unite, in a free and democratic form, industrial and industry-related enterprises operating in Austria, as well as their owners and managers, to represent and safeguard their interests, particularly in professional, operational and economic terms, at national, European and international level, to promote industrial developments, to secure framework conditions for the existence and freedom of decision of entrepreneurship and to spread understanding for issues of the economic and social order.

The terms used refer equally to all genders.

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