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PRESS RELEASE

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THE EUROPEAN HOUSE - AMBROSETTI AND ENEL: RECOMMENDATIONS FOR REVIVING INVESTMENT IN EUROPE

- *The study “Strengthening Europe’s investibility: policy proposals for reviving investment in Europe and the role of the energy sector and digitalisation” presented in Cernobbio, Italy*

Cernobbio, September 3rd, 2016 - Clarity in investment strategies, a comprehensive vision of medium/long-term development goals, consistency between European and national intervention levels, cooperation between the private and public sectors and flexibility of solutions based on Member States’ needs are what Europe needs, together with a growth model driven by investment through the positive involvement of the private sector and stimulating high-potential sectors that can act as a lever for the economy. “Network industries” such as energy, transport and ICT are the main enablers of competitiveness, innovation and growth.

These are the conclusions of the report “*Strengthening Europe’s investibility: policy proposals for reviving investment in Europe and the role of the energy sector and the digitalisation*” prepared by The European House - Ambrosetti (TEH-A) in collaboration with Enel and presented today in Cernobbio, Italy. The study identifies the main obstacles to this goal and develops a number of recommendations to focus attention on specific actions that can help Europe to accelerate its development.

“Europe faces a difficult challenge to ensure continuous and sustainable economic growth in the context of the process of decarbonisation now under way. Investment will play a central role in this effort,” said Enel CEO **Francesco Starace**. *“As a leading global power utility, Enel is at the forefront of a process of profound change taking place across the sector. We therefore recognise the importance of policies that respond effectively to rapid technological progress, and models that promote innovation, as the basis of an attractive macro-economic investment case. In addition, a visible, stable, transparent and forward-looking legal and regulatory framework is crucial. This is particularly the case in Europe, where technology advancements and market dynamics offer some unique opportunities, not only in the energy sector, but across the entire economy.”*

According to **Valerio De Molli**, the CEO of The European House - Ambrosetti, *“the next few months could represent a turning point for Europe, which in the last decade has found itself at the centre of a “perfect storm” that has undermined its political and economic stability. We are at a crossroads. The fear is that Brexit could be the first step towards a break-up of Europe. The current situation could be a critical moment to revive the European dream, but to do so Europe must return to its roots, creating a more competitive, inclusive and cohesive Union. In this environment, investment has a strategic role in strengthening competitiveness and ensuring sustainable growth in the long term.”*

The study emphasises that the EU is the main hub for investment globally, thanks to the breadth of the internal market, its geo-political security, its solid institutional foundations, the highly skilled workforce and its technological and research capabilities. However, Europe is suffering the consequences of the crisis



more than other economies, there is a high degree of fragmentation among the Member States, and an investment gap that does not support long-term growth. The consequences of Brexit also represent a source of potential instability.

Investment is therefore crucial for growth and can promote a new Europe, stimulating competitiveness and productivity, improving and building new infrastructure, developing cutting-edge technologies with direct and indirect effects on GDP and employment. In order to achieve this goal, it will be necessary to remove factors that currently undermine investibility, such as a fragmented and unstable regulatory framework, the high cost of doing business and the persistent segmentation of the internal market.

The TEH-A/Enel study identifies six key proposals to revive Europe's attractiveness for investments:

- accelerate, strengthen and expand the process of completing the European internal market;
- ensure a more stable, more predictable and higher quality European regulatory framework;
- provide incentives for the creation and maintenance of strategic and cross-border infrastructure;
- promote disruptive innovation, strengthening innovation ecosystems and green technologies;
- support the development of "network industries" and industrial convergence;
- revive cooperation between Member States and boost public sector investment.

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