

**Introduction during the dinner debate organised by the European Forum
for Manufacturing
"Funding for European Manufacturing, Financial Perspective Opportunities
2013 - 2020"
24 May 2011

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Introductory remarks

Europe needs growth. The challenge, however, is not about going back to pre-crisis levels, but about putting Europe's economy on the path of productivity gains, structural change, competitiveness, and the creation of sustainable jobs.

If we talk growth, we should be clear that investment needs financing. Banks, even if we shout at them, might not deliver. New funding schemes can be based on a renewed approach to public contribution to growth funding. This contribution could exploit fully the catalytic role and leverage function of public money. If smartly done, small amounts of public money can leverage large amounts of private investment into growth, competitiveness and job-creating projects.

We need public-private partnerships because the banking sector is slow in resuming its function, there is a lack of confidence in the business sector and the market is faced with a fear of new risks.

National budget cuts are here to stay with us for a while. In the face of declining funding from public sources, we have to find ways to use the available sources of funding more efficiently. This is also true for the European budget.

That is why the multiannual financial framework must embrace an innovative approach to funding, blending grants and loans, introducing project bonds, better coordinating between different sources of funding. As the European Union's budget is very small, we have to use its potential to embrace new financial instruments, to use it as a coordinating facility. We must also be aware that creating new financial instruments takes years. It is therefore reasonable to use effectively already existing instruments.

In the meantime, we cannot lose sight of the global context either, as Europe is increasingly competing for funds with emerging economies that offer higher rates of return to investors.

Concluding remarks

The discussion has clearly shown the importance of such exchanges. What we have heard from the industry is that access to funding is essential for investors but improvement of the regulatory framework strongly matters. Bold changes in this area are needed. Most of the speakers mentioned public private partnerships that would allow to harness competitive advantages of both public and private sectors to generating smart growth in Europe. Europe will need to invest vastly in infrastructure - transport, energy and telecommunications. Public money must be used as a multiplier and potentiator.