



**EUROPEAN COUNCIL  
THE PRESIDENT**



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**Herman Van Rompuy  
President of the European Council**

**Keynote speech at the EuroCommerce  
20th anniversary gala dinner**

It is a pleasure to be joining you here this evening, on the occasion of this dinner to mark your organisation's twentieth anniversary. I understand that you started the celebrations some months ago with a lecture by a World and Olympic Champion – I hope I can compete... Though "grit and resilience" is something we also know about here in Brussels!

Age twenty in 2013: this makes you exactly as old as the Single Market. And I expect this is hardly a coincidence. I couldn't have put it any better than you just did Mrs President: for the companies of all our countries, and especially in your sector, retail and wholesale, a true European market of over half a billion people has irresistible appeal – it did at the time and still does today.

The Single Market came into being with Maastricht's entry into force, two decades ago almost to the day. With it came another major game-changer: the journey to the euro. With the common currency, Europe entered into people's daily lives like never before. Through coins in people's pockets, banknotes in their wallet and purse, traded at shopping tills across the continent over a billion times a day. From the very beginning, business leaders like you were among the euro's most enthusiastic supporters, and this strong support was an important factor in its success.

**P R E S S**

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Dirk De Backer - Spokesperson of the President - ☎ +32 (0)2 281 9768 - +32 (0)497 59 99 19  
Preben Aamann - Deputy Spokesperson of the President - ☎ +32 (0)2 281 2060 - +32 (0)476 85 05 43  
[press.president@consilium.europa.eu](mailto:press.president@consilium.europa.eu) <http://www.european-council.europa.eu/the-president>

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A common currency is about much more than just sharing the design of your banknotes. For a country, it means that your financial, economic and budgetary decisions can have an impact on those of other member states.

Yet the full extent of this reality – what it really means to share a currency, a market, a Union –, only started to sink in in recent years. It took unprecedented financial turmoil to hammer home our extraordinary economic interdependence – and the resulting need, for eurozone countries especially, to coordinate financial, economic and fiscal policies even more closely than before.

Our countries have drawn – and are still drawing – the lessons from the economic and financial crisis. In these unsteady times, they have had to pull together like never before. And the Union as a whole is hard at work. We have recovered financial stability – defeating the existential threats to the euro – no small feat to say the least. There is still much to be done to finish the reinforcing of our economies and of our financial system – completing for instance the ‘Banking Union’ that is currently underway, and that is designed to help restore normal credit throughout the Union and prevent credit crunches in the future.

But the main battle today is that of jobs. In too many countries, five years of low growth or no-growth – not to mention a recession – have taken a devastating toll on employment, especially for young people.

Growth is finally coming back – timidly but still, the trend is there. I have to say that private consumption will not be the main driver of the recovery, certainly not in 2014. Consumer spending is expected to rebound by 1.5% in the EU and 1.3% in the euro area, as labour market conditions start improving more visibly and the recovery gains strength.

But we know that there is always a time lag between the return of growth and that of jobs. So making it happen faster, helping bring jobs back: that remains the absolute priority – the ultimate goal. All the rest, financial stability, fiscal consolidation, structural reforms, are not aims in themselves but means – means to bring back jobs, to restore sound and lasting economic foundations for our societies.

There is no secret: business will be a major driver for the recovery. Much is going to depend on our spirit of enterprise, on how business-minded we Europeans will prove we can be, how competitive we are.

At the European Council, which I chair and which brings together the Presidents and Prime Ministers of all the member states, leaders want to make sure that all is set so that companies like yours can play their part in leading Europe back to growth.

Which is why I’ve insisted that we place such an emphasis on Europe’s competitiveness, each and every time we meet. It is important that we don’t lose sight of the longer-term trends behind some of our most immediate challenges. Take high energy prices for instance, which weigh hugely on companies and consumers across Europe. Energy efficiency will be a key objective for the years to come.

Above all we need to acknowledge that without a genuine European single energy market, we're unlikely to compete well in a world where, soon, Europe will be the only continent that still needs to import energy from outside. It's the only way to come to terms with global game-changers like the shale gas revolution in the United States.

Against this backdrop, and in our fast changing world, it becomes even more crucial to keep investing in the Single Market. Aside from energy, there are still too many sectors where we fall short from where we ought to be. Not least for services, for the digital economy, for the telecom sector, for transport infrastructure – all areas where the leap towards the single market would make a significant difference, including of course to retail and wholesale companies.

To help boost the benefits for businesses, Single Market rules should of course be light and fit for purpose. Striving for maximum simplicity and minimum hassle, especially for SMEs, is a matter of common sense, and a principle European Council leaders insist upon. The European Commission has already identified new steps to cut down paperwork and simplify EU law where needed. Single Market rules are living rules, and their whole purpose is precisely to reduce red tape. Because when we get it right, with single market rules: it's twenty-eight out and one in. A level playing field for all.

Let's not forget that the biggest creators of red tape are still the national, regional and local authorities, especially when they adopt conflicting and incompatible rules. A similar effort has to be done at those levels too! For a trade like yours, single rules for lorry transport for instance have meant epic change – one single administrative document covering all cargo, rather than the twenty-odd pieces of paperwork that previously had to be presented at each border. In our day-and-age, the same should go of course for online borders.

In fact, it is utterly paradoxical that it isn't. Yet the unfortunate truth is that, when it comes to the online economy, Europe is still a truly fragmented market. Whereas we used to lead on all things digital, we're now lagging behind. We've invested too little in the infrastructure, the skills and the organizational changes that are needed to reap the benefits of these technologies. And this is something we simply cannot afford.

Nowadays expanding through online channels, conquering the digital economy is not just for the Amazon and eBays of this world, but an opportunity for all. Almost every single SMEs in our countries could improve its business by making better use of digital technology, of digital services and digital selling channels. The Christmas season is just around the corner, and more and more gifts will be bought online. That's the new reality.

Yet there are still huge differences between European member states: on average nearly 60% of European Internet users shop online, but this ranges from over 80% in the United Kingdom to under 30% in Estonia and Italy. Which is surprising since we like to think of Estonia as an e-country!

But more worrying still are the low figures of consumers ready to buy online abroad: only about one in 10. Most of online trading is concentrated within each country; we are back to national markets all over again. Much of this has to do with trust, with providing secure online payment means, and guarantees for privacy and data protection. It should be as easy and safe to buy and sell online from another European country as it is at home. Which is where European measures can and should help.

Exactly a month ago we devoted an entire European Council precisely to how to achieve a more consumer-friendly digital economy, how to truly connect our continent in the digital age. I was not surprised to hear these aims are at the very top of your Manifesto. But it goes deeper than just infrastructure and rules and regulations. What it's also about is skills: the jobs of the future will all be digital at least in part.

I often repeat this figure but it's always as astounding: by 2015, we're looking at finding ourselves with 900,000 unfilled IT vacancies. 900,000. At a time when jobs are scarce, it's not hard to do the math. We seriously need to invest in digital skills.

It will have to be a collective endeavour. Yes, it is going to happen in universities, in schools, and in homes. But to an equal extent it's also going to happen in work places – in offices, in shops, in warehouses. And this is where tonight lies my call to you. Because investing in skills – in a wider sense, not just digital – means above all investing in people. And here the retail sector is uniquely placed. Because you represent a quarter of all companies in Europe. Because of your 30 million jobs. But also perhaps because for so many people, work life often starts with a summer or a student job in retail.

Your collective reach means you are among the best placed to help instill entrepreneurship further in our societies. By giving opportunities to people, helping people grow. If we want to ensure we have the skills to match the needs of our economies, if we want to bridge the gap between the classroom and the workplace, then both those sides – schools and businesses – are going to have to work even closer together.

The European Union is ready to help – in fact from January next year all the funds which have been agreed for our next 2014-2020 budget will come into play: with huge help for SMEs; 8 billion euro to support Youth Employment initiatives in the member states; and double the resources for digital training and retraining. Building on this, a company like Nestlé have already pledged to create 10,000 new jobs for under-thirties and 10,000 new apprenticeships over the next three years. And we need more.

Because governments can't solve this alone: it is only going to work if businesses get involved. If you keep working as you already do with your partners in national and local authorities to help get more apprenticeships, more vocational training, more coaching programmes off the ground. Helping spread this entrepreneurial spirit, one new worker at a time. It's our surest path back to sustainable growth.

The private sector will be the growth driver. Its competitiveness is essential, and will require attention from political authorities at all levels. In any case, the European Union will do its utmost to deepen and widen our Single Market, the biggest in the world, and to strengthen the Economic and Monetary Union that is supporting the euro. We are fighting the same battle: for our prosperity, our jobs, and "our Europe"! Thank you.