



JOINT DECLARATION MEDEF-BDI-BDA

Paris, March 17th 2017

In the coming months, France and Germany will experience national elections. They will be of great importance for our two countries, but also for the future of the European Union.

For decades our two countries have been firmly committed to deepen European integration. They have to continue to play a major role in strengthening and mobilizing the European ambition, in a difficult and uncertain world.

Europe is facing a multitude of challenges. The developments at global level and national decisions to be taken in the coming months put heavy demands on decision makers in business and politics.

Together, we recall to all political forces the following fundamental truths: all citizens have benefited considerably from the single market, which allowed for mutual exchanges of goods, services, capital and people, from eastward enlargement, through the opening of our borders in the Schengen area, and through economic and monetary integration in the euro area.

Our future is a strong European Union, with a strong single market and an integrated Eurozone, which allows the EU to hold its rank in the world and to offer to its citizens employment and perspectives for social progress.

Our two countries are committed to deal with Defense issues together especially against terrorism. Any threat to the French citizens is a threat to the German citizens and vice versa. Any reliable answer will not be possible without a stronger and more united EU.

Today, we urge our political leaders to respond forcefully to the internal and external challenges we are experiencing. Prosperity in Germany and France and in Europe altogether is at risk from domestic and extremist populist forces as well as from external economic challenges. Together with our European partners, we need to enhance national reform efforts in order to strengthen job creation, growth, innovation and competitiveness, including through joint initiatives of our countries as well as at the European level. After the elections, a strong and coherent response of our political institutions to those challenges is urgently required.

We emphasize six urgent fields of action:

- 1. Inclusive and comprehensive growth and competitiveness.** Democratic principles and open societies can best be defended by pursuing a strategy of inclusive and comprehensive growth and competitiveness. A social market economy cannot be sustained by isolationist, protectionist and populist policies. We urge our governments to adopt strong policies of inclusive, comprehensive growth and competitiveness that deliver employment and social security to our citizens. These policies should take into account that employment is not created by decree, it is a result of thriving companies. Also, the State can only spend for social policy what it has collected from companies and citizens by way of taxes and

contributions. Therefore these policies should promote enterprises in doing business and innovating. The better these conditions are for enterprises, the more they can create.

- 2. An open world economy.** We agree that free trade, open investment and the economic integration of Germany and France and of the entire EU have served our societies well. Those principles are also valid for international affairs in general. We urge the leaders of the G20 to implement their commitments to an open world economy and resist protectionist temptations in trade, investment, taxation and other fields. The EU is still a powerhouse in global trade and investment. We support a strong international agenda for the EU to conclude ongoing international agreements and to negotiate new ones. That way, we could open up trade and investments with previously restricted markets and shape the rules of globalisation for the years to come. We are concerned by current proposals that would disrupt trade and global value chains by imposing new border tariffs and taxes. That is why we should increase international cooperation in international taxation.
- 3. Franco-German economic cooperation for mutual and European benefit.** We agree that closer cooperation of our countries is desirable, both for our own benefit and for Europe's benefit at large. This will create new avenues for prosperity in future, as it has in the past. The French and the German economies are very closely interlinked and have been the most important trading partners for each other for over fifty years until 2014. After the Second World War, the political reconciliation between France and Germany paved the way for more than six very successful decades of economic integration and political cooperation, which played a key role for driving European integration. This should not be replaced by protectionism inside the European Union or in external affairs of the European Union. European integration in the single market, international trade and investment sustains millions of jobs, not only in Germany and France, but in the entire European Union today. In future, joint efforts in creating a dynamic economy, in sustaining a successful digital transformation and in creating a climate- and cost-efficient European energy system are key fields for joint activities. Our members are already pursuing many joint projects in the field of new digital services to our citizens. We welcome the fruitful cooperation between the platforms "Industrie 4.0." and "Industrie du futur" and the initiative for a cross-border digital test route leading from Merzig to Metz. This bilateral cooperation should be continued and enhanced.
- 4. Stronger industry and innovation for jobs for the future.** We agree that policies for strengthening the industrial base and innovation in both Germany and France as well as in the entire EU are necessary to lift our growth potential, strengthen our competitiveness and create new opportunities for sustainable employment. We urge our leaders to strive for top places in international competition and deliver the best framework conditions, from physical, administrative and judicial infrastructure to a supportive environment in taxation, finance and regulation, and a world-class education system, that provides people with the skills required for the future technologies. Investment and innovation must receive proper attention both in our two countries and at European level, and the European investment agenda must be implemented without delay.

- 5. Reforms for more stability and convergence in the EU.** The reforms which will make it possible for our countries to reduce their sovereign debt are the prerequisite for their ability to act. National ownership of reforms is essential for achieving sustainable fiscal consolidation, which will be able to increase political leeway in our countries. This is the precondition for convergence in the European economies. A win-win balance has to be found to ensure the full compliance with the Stability and Growth Pact rules and to improve trade and payment balances inside the Euro area.

- 6. Employment opportunities and social progress.** We agree that employment opportunities and social progress generated by European integration must be made better known to the public at large. The citizens of our countries should be provided with more tangible experiences of the benefits of European integration and Franco-German cooperation. Beyond the economic field, there are plenty of possibilities to improve the opportunities of young people and in supporting the social development of Germany and France. At the occasion of the 50-year anniversary of the Elysée Treaty, we have launched a Franco-German social partner initiative, which has already adopted joint recommendations on vocational education and training and has initiated several concrete follow up projects on vocational education in France and Germany. Currently the French and German social partners are working on a joint understanding of employment aspects of digitisation and of the future of work. Furthermore, the Franco-German project "Erasmus for apprentices", which we launched jointly in 2015, has facilitated exchanges between French and German apprentices of large companies. At international level, we support that social stakes should better be taken into account by the international institutions, in accordance with the B20 recommendations to the G20.