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Beyond austerity: ensuring long-term growth and jobs in the EU.

As Heads of Member States gather in Brussels on 1st and 2nd March 2012, FIEC recognizes the challenging economic climate and the need for governments to cut unsustainable levels of public debt. "Austerity is however not a solution by itself", commented Luisa Todini, FIEC President.

Europe's transport, energy and telecommunication networks are the backbone of the EU internal market, ensuring that goods and services are delivered across the continent. They are the very foundations on which Europe's economies operate.

Cutting investment in infrastructure sabotages the very vehicle of future jobs and competitiveness. It is only with renewed economic growth that government debt can be kept low in the longer term. In this context, the European Union has a vital role to play in ensuring targeted investment in viable infrastructure projects is maintained to enable long-term sustainable growth.

Amongst the existing growth levers and in the framework of the starting discussions within the European Parliament on the financing of infrastructure, FIEC warmly welcomes the proposal for a Connecting Europe Facility.

This financing framework, together with a coherent policy for infrastructure, are crucial for Europe. FIEC believes that the Connecting Europe Facility is part of the solution to meet the challenges that the EU and Member States face.

The European Commission estimates that, by 2020, the TEN-T will require about €500 billion; electricity and gas networks will require about €200 billion and ultra-fast broadband will need €270 billion.

Considering these needs, FIEC supports the Commission's financial proposal amounting to €50 billion for the 2014-2020 period. **Moreover, Todini stressed that "this amount should not be cut drastically in the negotiations on the future EU financial perspective for 2014-2020 as has been the case in the past".**

Furthermore, FIEC supports a healthy balance between public and private investment in this field. Innovative financial instruments proposed by the Commission, such as Project Bonds, are welcome but, given restricted access to credit, they cannot replace an effective policy of long-term public investment.

Much existing infrastructure in Europe is ageing and was built at a time when markets were national or indeed local. In order to lay the bedrock for future growth, a truly European approach to infrastructure must be forged to complete missing links that stand in the way of unbridled trade across EU borders with the growth and jobs that accompany it.

FIEC is the European Construction Industry Federation, representing via its 34 national Member Federations in 29 countries (27 EU & EFTA, Croatia and Turkey) construction enterprises of all sizes, i.e. craftsmen, small and medium-sized enterprises as well as "global players", carrying out all forms of building and civil engineering activities.

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