



**European
Investment
Bank**

European Growth and the Role of the EIB

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Outline of the Presentation

- ◆ **The EU growth strategy: The Lisbon approach**
- ◆ **EIB's role in boosting the EU growth potential**
- ◆ **The link between the financial perspectives and the EIB**



The Lisbon Strategy (1)

- ◆ **Growth is not an automatic process, it requires an enabling environment and adequate policies**

- ◆ **Lisbon goals**
 - ◆ **Make the EU the most dynamic and competitive economy by 2010**
 - ◆ **Increase labour participation**
 - ◆ **Sustainable development (environmentally friendly)**
 - ◆ **Social inclusion**



The Lisbon Strategy (2)

1. Improving innovation potential of the EU economy

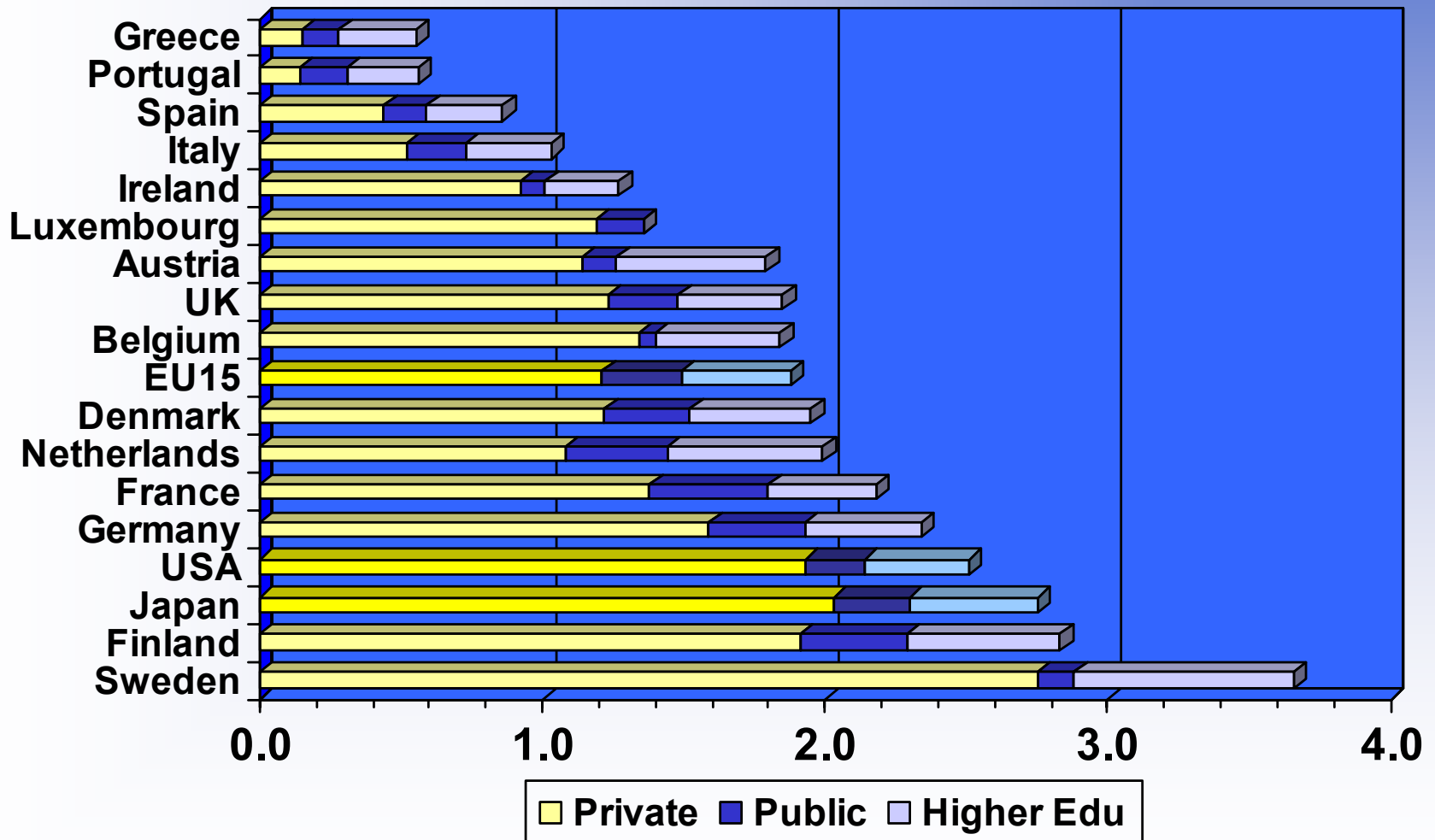
- ◆ Increase R&D (up to 3 % of GDP by 2010)
- ◆ Invest more in information and communication technology ICT
- ◆ Stimulate venture capital
- ◆ Reduce legal and administrative barriers to entrepreneurship

2. Improve employability and human capital

- ◆ Stimulate skill acquisition and education
- ◆ Lifelong learning



R&D Investments in Percent of GDP

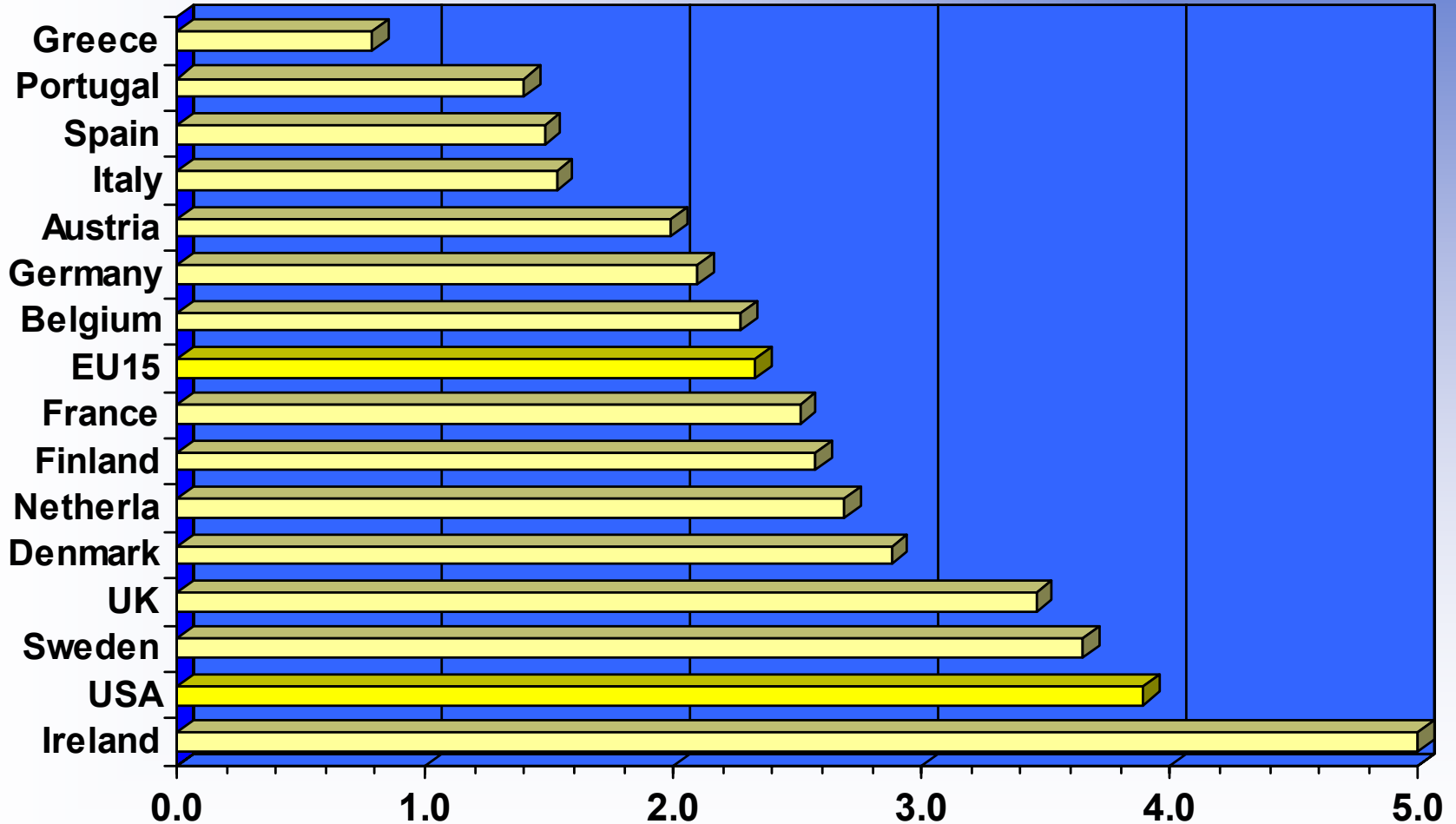


Source: Eurostat



ICT Investments in Percent of GDP

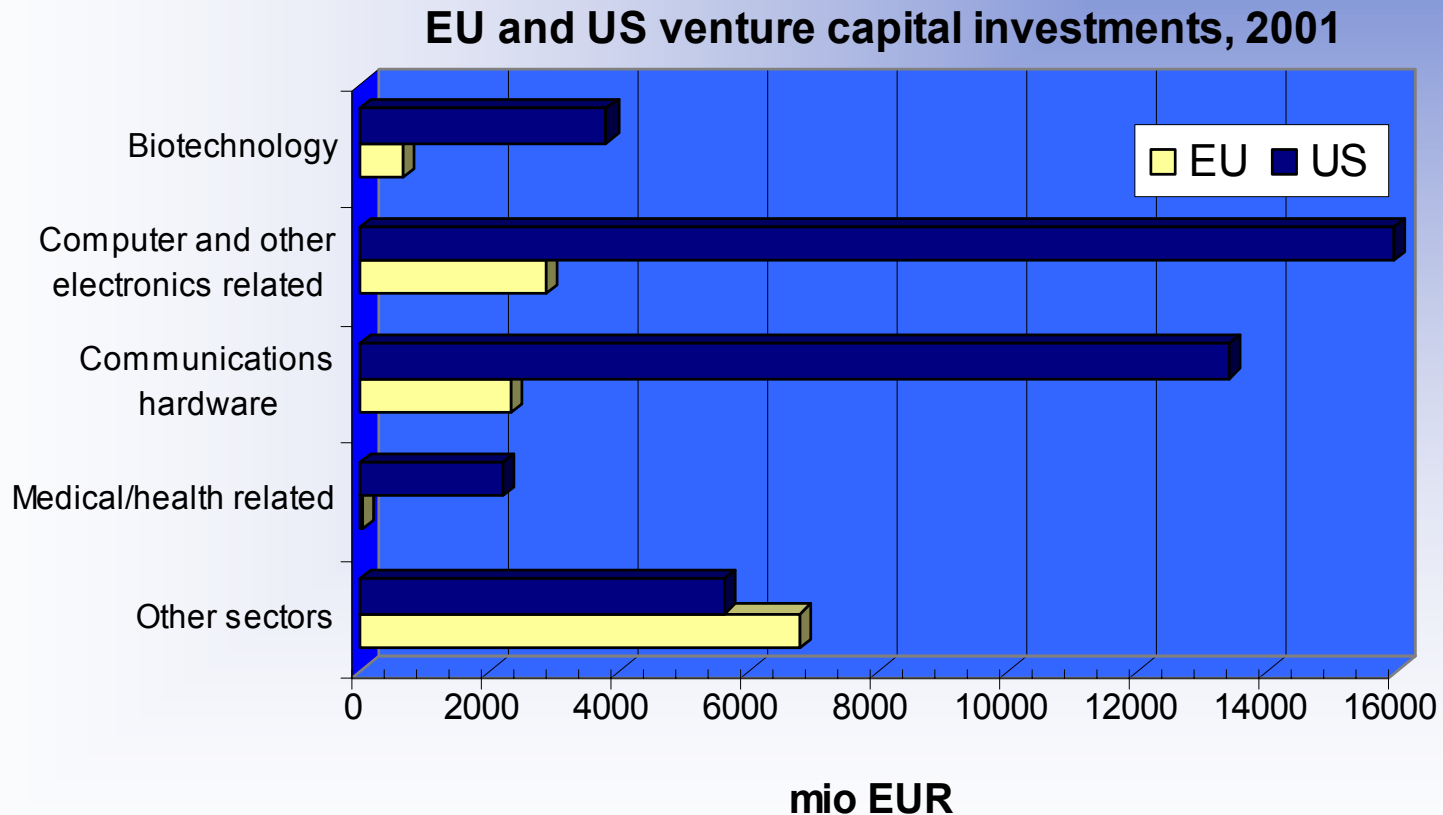
Average 1992-99



Source: Hurst and Uppenberg, EIB Papers, Vol 6 No 1



Venture Capital: A Market Smaller than the US Market



Source: PwC; DG EcFin



EIB's Support for Lisbon (1)

- ◆ **Research and Development**
 - ◆ Private sector research
 - ◆ University clusters and excellence centers

- ◆ **Human capital**
 - ◆ Improving education facilities
 - ◆ Improving access to education, training and lifelong learning



EIB's Support for Lisbon (2)

- ◆ **ICT and downstream sectors**
 - ◆ **Building networks**
 - ◆ **Diffusion of innovative contents and supporting new forms of deliveries**

- ◆ **Entrepreneurship**
 - ◆ **Venture capital finance through the European Investment Fund (EIF)**
 - ◆ **Supporting innovative SMEs**



EIB's Support for Lisbon (3)

- ◆ **Most innovative activities tend to agglomerate**
 - ◆ **EIB targets its interventions towards regions where market forces fail**
 - ◆ **EIB supports the dissemination of innovation throughout the enlarged EU**
- ◆ **Support for Trans-European Networks**
- ◆ **Sustainable growth requires protection of the environment**



The Link with the Financial Perspectives

- ◆ **It is necessary that the EU budget supports the EU priorities, especially in the fields of R&D and TENs**
- ◆ **EU budget support can play a catalytic role when it is necessary to structure complex cross border projects involving the Commission, national authorities, private sector and the EIB**
- ◆ **EIB finance and EU budgetary support are better used in a complementary way rather than as substitutes**



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