

Bridging Europe's Competitiveness Gap is Crucial to Cohesion, said Italy's PM Monti

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[Italian](#)

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- The competitiveness performances of northern European economies and those in the south are diverging
- In shaping policies to drive new growth, economies in Europe should focus not just on their national goals but also on the European context and the need to strengthen the single market
- For more information on the Forum's "Rebuilding Europe's Competitiveness" meeting <http://www.weforum.org/events/rebuilding-europe-s-competitiveness-2012>

Rome, Italy, 30 October 2012 - Europe must bridge its growing competitiveness gap to deepen economic integration and strengthen European cohesion, the Prime Minister of Italy, **Mario Monti**, told business, government and civil society leaders participating in the World Economic Forum's meeting in Rome today. "Europe has ceased to be a machine for economic convergence. The competitiveness performances of member states are diverging. There is a competitiveness gap between the dynamic exporting economies of northern Europe and the southern economies. The debt crisis is exacerbating this gap." Asked Monti: "How can a company in northern Italy survive if it is beaten down because of insufficient labour productivity but also because it pays an interest rate to creditors that is 400-500 basis points higher than that paid by its competitor in Düsseldorf?"

Prime Minister Monti stressed that Europe must focus on economic expansion, both through traditional sources and new drivers of growth. "Europe will exit from the crisis when it returns to growth - growth consistent with fiscal discipline." While the crisis has highlighted the limits of European integration so far, Europe must appreciate the value of its model and determine what can be done to strengthen the single market, bolster the euro and improve coordination of structural reforms. National reform strategies must also conform to the goal of regional integration, Monti advised. "Putting your house in order is key, but not enough. For return to growth, governments have to do all the appropriate structural reforms but there has to be a European context."

Rebuilding Europe's Competitiveness is the key to sustaining a high level of prosperity in Europe, **Klaus Schwab**, Founder and Executive Chairman of the World Economic Forum, concluded. "While addressing fiscal imbalances is necessary, improving competitiveness is essential to supporting medium- and long-term prosperity."

Participating in the meeting are Italian government members **Giulio Terzi di Santagata**, Minister of Foreign Affairs; **Elsa Fornero**, Minister of Labour and Social Policies; **Corrado Passera**

, Minister of Economic Development, Infrastructure and Transport; **Enzo Moavero**, Minister of European Affairs; **Paola Severino**, Minister of Justice; and **Ignazio Visco**, Governor of the Bank of Italy. Also joining the discussions are **Martin Sorrell**, Chief Executive Officer, WPP Plc, United Kingdom; **Giuseppe Recchi**, Chairman, Eni, Italy; **Irene Khan**, Director-General, International Development Law Organization (IDLO), Italy; and **Bernadette Ségol**, Secretary General, European Trade Union Confederation (ETUC), Belgium.

The Rome meeting is part of a dialogue series between business, government and civil society leaders held within the framework of the Forum's Rebuilding Europe's Competitiveness initiative, which aims to shape effective strategies to foster the competitiveness of European economies and thereby strengthen the continent's cohesion. Further discussions will take place at the Summit on the Global Agenda in Dubai in November and at the Annual Meeting in Davos-Klosters in January 2013. The dialogue series is underpinned by research conducted by the Forum's Global Benchmarking Network and the Global Competitiveness Report team, as well as by the ongoing deliberations of the Global Agenda Council on Europe. The Rebuilding Europe's Competitiveness initiative will culminate with the publication of a report in early 2013.

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