News Release

WORLD ECONOMIC FORUM

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Big Business Calls on Europe to Do More for Economic Recovery

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- Europe is on the path to recovery, but economic growth is too tepid to generate jobs
- Excessively high structural unemployment threatens to create a lost generation of Europeans
- Aggressive action on labour flexibility and other reforms are required
- The theme of the 44th World Economic Forum Annual Meeting is The Reshaping of the World: Consequences for Society, Politics and Business

Davos-Klosters, Switzerland, 22 January 2014 – In Europe, credit spreads have narrowed, break-up speculation has receded and stock prices have climbed, but the economic recovery is not something to be excited about, four of the world ' s leading businessmen and a well-known US economist told participants at the 44th World Economic Forum Annual Meeting in Davos-Klosters, Switzerland.

The Annual Meeting 2014 is taking place from 22 to 25 January under the theme, The Reshaping of the World: Consequences for Society, Politics and Business. Participating this year are over 2,500 leaders from nearly 100 countries, including 300 public figures, 1,500 business leaders and representatives from civil society, academia, the media and arts.

At about 1%, GDP growth in the core countries is " lacklustre and too one-sided, " said Axel A. Weber, Chairman of the Board Directors, UBS, Switzerland, and an ex-president of Germany ' s central bank. " Things feel better in Europe, but policy-makers should not be complacent. " Two events this year may bring new risks: eurosceptics winning seats in European Parliament elections and the stress-testing of Europe ' s banks, which will almost

certainly hand some institutions a failing grade.

“ Europe has become much more stable, which is not a small political achievement, ” agreed Kenneth Rogoff, Thomas D. Cabot Professor of Public Policy and Professor of Economics, Harvard University, USA. “ On the other hand, the youth unemployment situation is horrific. ” Only the German economy has come back to where it was before the 2008 financial crisis. It could take at least five years for the rest of Europe to reach the same point.

Both Pierre Nanterme, Chief Executive Officer, Accenture, France, and Sir Martin Sorrell, Chief Executive Officer, WPP, United Kingdom, said they expect their respective businesses in Europe to perform much better this year. But companies are still meeting obstacles, Sorrell said. “ We asked 80 of our clients what the critical issues in Europe are in terms of their expansion. The answer was labour market inflexibility. ”

The panellists raised the spectre of a lost generation of Europeans if the structural unemployment problem is not

solved. If you cannot find a job two or three years after graduation, all could be lost, said Giuseppe Recchi, Chairman, Eni, Italy. “ It is difficult for a company to hire a 30-year-old person without work experience. ”

The panellists called on European leaders to be more aggressive in dealing with the unemployment crisis by, among other things, allowing labour mobility, making sure the skills taught in schools are the skills needed by business, and more investment in education, technology and innovation.

“ Europe has tremendous advantages that are not going away overnight, ” said Rogoff, pointing to the region ’ s high education levels, rule of law and technological innovations, particularly in Germany. But those advantages can wither away if Europe does not move faster on economic and business reforms to create flexible labour markets, enhance competitiveness and improve the ease and cost of doing business.

The Co-Chairs of the Annual Meeting 2014 are: Aliko Dangote, President and Chief Executive Officer, Dangote Group,

Nigeria; Kris Gopalakrishnan, President, Confederation of Indian Industry (CII); Vice-Chairman, Infosys, India; Jiang Jianqing, Chairman of the Board, Industrial and Commercial Bank of China, People ' s Republic of China; Joseph Jimenez, Chief Executive Officer, Novartis, Switzerland; Christophe de Margerie, Chairman and Chief Executive Officer, Total, France; Marissa Mayer, Chief Executive Officer, Yahoo, USA and Judith Rodin, President, Rockefeller Foundation, USA.

Notes to Editors

More information about the Annual Meeting 2014 is available at http://wef.ch/davos2014

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