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## The Juncker Investment Plan: Comments for discussion at Bruegel

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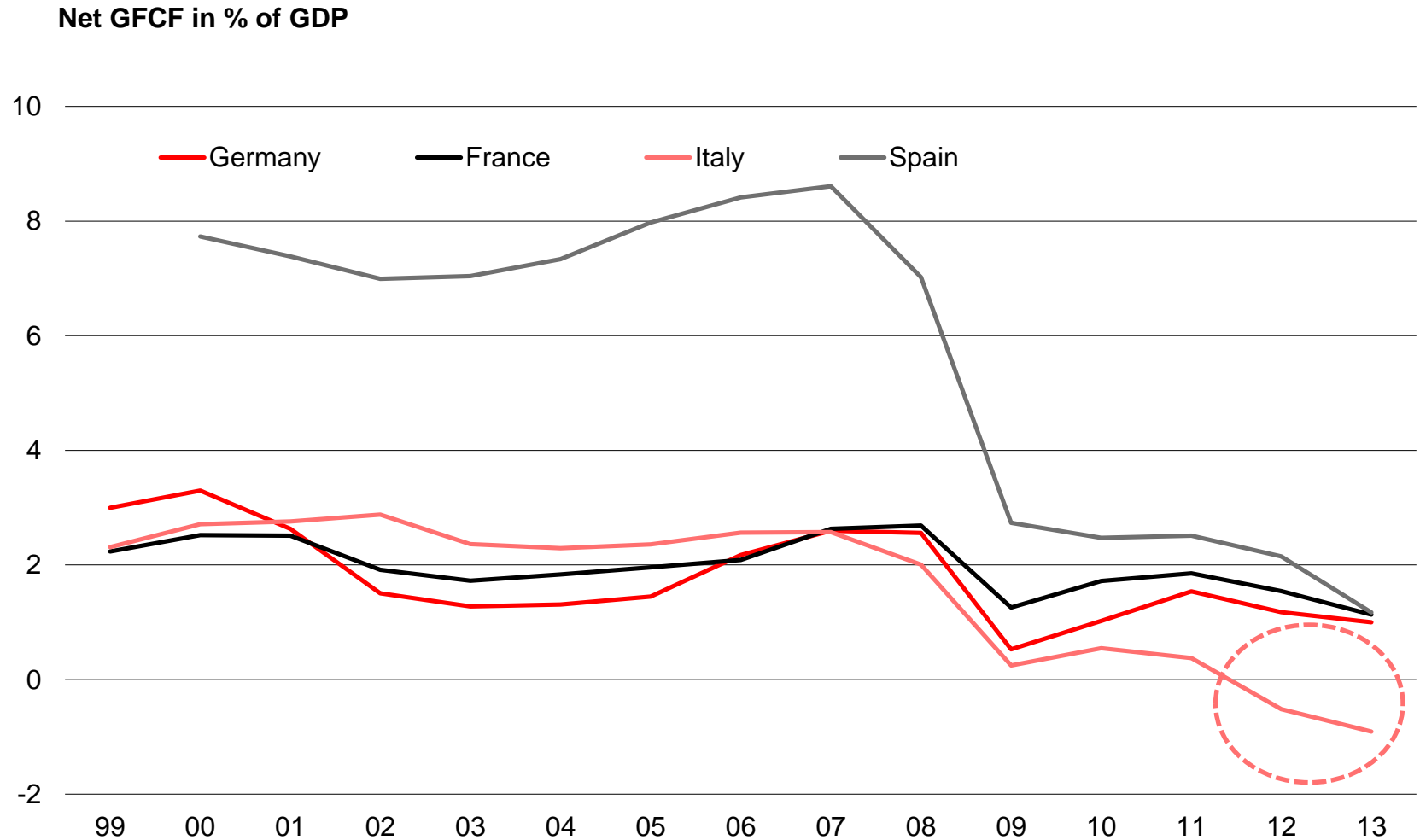
Brussels, January 2015

## The European investment gap:

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- Public investment: EUR 190bn+  
(average annual net growth until 2010: +0.7%. Since then: +0.4%.)
- Private investment: EUR 1.0-1.5 trillion  
(average annual net growth until 2008: +5.4%. Since then: +2.4%  
- suggesting a hole of EUR 2.6 trillion, but that's too high.)

# The problem: Huge pent-up investment demand in Europe



## The Plan:

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- EUR 21bn in re-allocated money becomes EUR 315bn in investment projects
  - A tad too much magic? Issue of “additionality” and “gearing” – and why does the EIB plan a reduction in 2015 issuance?
- A pipeline of new or stranded projects
  - Good, but how does it work?
- Improvements in general investment conditions
  - Critical! Carrot or stick?

## What's missing?

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- More attractive terms for co-financing of the EFSI
- A national component – boost NPBs
- Encourage private investment via simplification of codes
- Grant waiver of SGP for public investment in return for structural reforms
- Work on permanent change of SGP to separate investment from consumption – and then strengthen enforceability

## Your contact

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