Press release

Juncker Plan will create 1.3 million jobs, Katainen tells economic affairs MEPs

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The European Commission calculates that the Juncker Plan for a European Strategic Investments Fund will create 1.3 million jobs, said Commissioner for Growth and Jobs Jyrki Katainen in a debate with Economic and Monetary Affairs Committee MEPs on Monday. If projects incur losses, the public share of their funding will take the first blow. "That's why they are interesting for private investors", he said.

Be brave

MEPs raised concerns about the risks associated with the Fund, which is expected to trigger €315 bn in investments, its possible impact on the EU budget, favourable Stability and Growth Pact treatment of national investments and the selection of the projects. Mr Katainen defended the Commission's “high risk approach”, arguing that there is sufficient liquidity in the market, but a shortage of investment in the private sector. "Without a 'first loss scheme' the Fund would not take off", he underlined.

Invest in line with EU policies…

The nature of the projects should be in line with the policies of the EU, Mr Katainen said. By way of example, he mentioned investments to develop technologies such as solar power and smart cities, single market projects such as digital networks and the capital markets union and projects to tackle climate change.

Investment shortfalls are caused by a lack of both supply and demand, Mr Katainen said, adding that "some member states are just not sufficiently competitive". But some member states have also chosen to cut public spending,

which has had a negative impact on EU-wide investments. "In an ideal world, investments would be €300 billion higher as they are now".

…but pick "non-political" projects

The selection of projects will be “non-political”, Mr Katainen said."The Investment Committee will make the selection in an independent manner, after which the Governing Council of the European Investment Bank will give its signature. But at that stage, there is no room for political influencing", he assured MEPs.

Favourable treatment

Replying to MEPs’ concerns about proposed “favourable treatment” within Stability and Growth Pact limits of national investments through the Fund, he said countries with a deficit above 3% of GDP could win leeway if their governments have decided on necessary structural reforms. He did not go as far as to say that parliamentary approval of such reforms would also be a prerequisite.

Asked why the European Central Bank could not support investments directly, Mr Katainen referred to its plans to buy asset-backed securities. "Loans to SMEs can be bought under this scheme", he said.

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