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# UNICE

THE VOICE OF BUSINESS IN EUROPE

CHECK AGAINST DELIVERY

**1<sup>st</sup> European Union-Latin America and Caribbean  
Business Summit**

**- Madrid, 20 and 21 November 2000 -**

**Speech by Baron Georges Jacobs**

**President of the Union of Industrial and Employers' Confederations of Europe  
(UNICE)**

Vice-President of the European Commission,

Vice-President of the Spanish Government,

Presidents,

Ladies and Gentlemen,

First of all, let me start by thanking CEOE and its President José María Cuevas, for having organised this 1<sup>st</sup> European Union-Latin America and Caribbean Business Summit. I would also like to thank the Spanish Ministry of Economy, through the Spanish Institute for External Trade (ICEX), and the European Commission for their active contribution to and support for this event.

I also thank you all for being here today in this impressive venue, the *Casa de América*, home of long-established relations with Latin America, and starting point, with this Summit, of a new era of dialogue between EU, Latin America and Caribbean business.

Before entering the core of my presentation, I would like to say a few words about UNICE, the Union of Industrial and Employers' Confederations of Europe, which I have the pleasure to chair, and how UNICE deals with relations with Latin America.

UNICE was created in 1958 as the voice of European business vis-à-vis the European Institutions. It is an independent professional organisation which brings together 35 national industrial and employers' organisations from 27 European countries. UNICE has already anticipated the enlargement of the European Union.

Its main objective is to influence European decision-makers and to promote the interests of the more than 16 million companies it represents vis-à-vis the European Union, and to defend their interests on all questions that concern them with a view to strengthening their competitiveness. UNICE is also recognised by the Treaty establishing the European Union as a social partner, which allows it to participate actively in the European social dialogue.

UNICE also actively promotes a strengthening of the EU relationship with its main trading partners. To that end, it maintains dynamic relations with sister Employer Organisations throughout the world, but UNICE is not involved in any kind of European export and investment promotion. This activity, through the subsidiarity principle, is dealt with at national level by UNICE's member federations.

Over the years, these member federations and UNICE itself have developed important links with our partners in Latin America and the Caribbean. The European Union - Latin America Employers' Co-operation Association (ACE), of which many of you are members, is a concrete example.

However, bearing in mind the growing importance of Latin America and the Caribbean for European business, in 1998 UNICE established a specific network bringing together representatives of UNICE member federations active in EU-Latin America business relations, with the objective of becoming the privileged business partner for the EU institutions in their policies vis-à-vis that region of the world. I would like to pay tribute to Mr Jaime Echevarría Abona, the President of Viscofán and Iberpapel, who coordinates the activities of this network.

This Summit is partly a result of its work, considering that it was there where it was first discussed and where its main guidelines were established.

More specifically, this Network seeks to:

- Influence EU policies related to the countries and regions of Latin America.
- Promote mutually beneficial economic relations, through the progressive elimination of barriers to trade and investment.
- Foster direct dialogue and cooperation between European and Latin American business. With this objective in mind, UNICE member federations participate in the Community AI-Invest programme.

UNICE is also actively involved in the Mercosur European Union Business Forum, or MEBF. This Forum brings together CEOs and government

representatives from the EU and Mercosur, and aims to propose specific recommendations based on concrete business experience designed to help eliminate remaining obstacles to trade and investment, and strengthen cooperation between the two regions.

Why has UNICE strengthened its activities vis-à-vis Latin America and the Caribbean?

It is not only a question of long-established historical and cultural links, it is also a question of business opportunities in a region in expansion with a huge potential market and plenty of natural and human resources.

- The EU is Latin America's second largest trading partner, accounting for more than 20% of Latin American foreign trade (imports and exports).
- In 1999, for the first time, the European Union became the biggest direct investor in Latin America, which placed Latin America as the largest recipient of EU foreign direct investment among developing countries.
- The main donors of official development aid in Latin America are also the European Union and its Member States.

These data, cannot, however, allow us to forget that efforts have to be made towards further elimination of the remaining barriers to international trade and investment at bilateral, regional and multilateral level. It is also essential to

create a stable investment framework providing greater transparency and predictability to continue and increase the attraction of long-term capital to the region.

In that perspective, UNICE supports a two-pronged approach:

- the multilateral approach: UNICE supports the strengthening of the WTO multilateral trading system. It considers that the rules-based system of the WTO has proven its benefits for developed and developing countries. In that perspective, UNICE strongly supports the launch of a comprehensive forward-looking round of negotiations to be concluded by a single undertaking. It believes that a comprehensive round will help WTO live up to the challenges created by rapid and far-reaching economic change, and help meet the concerns expressed by some developing countries and part of public opinion regarding market liberalisation. UNICE has developed detailed positions on all issues of the negotiations and looks forward to working with sister organisations from Latin America to improve mutual understanding and build the consensus necessary for launch of a new round.
  
- the regional / bilateral approach through the negotiation of association agreements, that will lead to the creation of free-trade areas, to foster mutual trade and investment. At the same time, this will make important contributions to Latin American integration by facilitating the development of dialogue mechanisms which will improve mutual

understanding within the region. Such agreements, which must be fully WTO-compatible, will also enhance intra-regional trade, increase productivity and create new opportunities for economic cooperation.

I can only welcome the conclusion of the first of these negotiations, with the entry into force last July of the free-trade area with Mexico. The negotiations were completed in a relatively short period of time, thanks to the strong political commitment on both sides. We cannot forget that this agreement was preceded by NAFTA, with important consequences for EU-Mexico commercial relations.

The same strong political commitment is needed to give impetus to the current negotiations with Mercosur and Chile. Although they are still in their early stages, they should be accelerated and intensified in full coherence with the WTO multilateral process. We cannot forget the close links between these negotiations and a new WTO round. Hence, the EU, Latin America and Caribbean should increase their cooperation on WTO issues in order to reach consensus for launch of a comprehensive new round of negotiations as soon as possible. Business, as final user of the system, has a significant role to play to that end and should make known its priorities.

The last years have seen a multiplicity of integration initiatives within Latin America and the Caribbean. In UNICE we recognise their importance for fostering sustainable economic development and political stability, and we strongly support the different initiatives under way in conformity with WTO

rules. The European experience of regional integration with a recent history of 50 years of economic growth and social and political stability could be seen as a model that we, European business, are ready to share with you.

Furthermore, in a world that is moving firmly towards globalisation, no Latin America and Caribbean country can survive alone and must weave a closer network of relations. Current initiatives such as Mercosur or the Andean Community, despite all their difficulties, are the example to follow to crystallise the advantages of unity against individuality.

And what is the role of Business Organisations of EU-Latin American and Caribbean in this framework of relations?

First, we have to enhance our dialogue, as we are doing here today, as a clear way to improve mutual understanding and identify issues for possible joint actions, as was done, for instance, in the case of MEBF. Issues for common actions could be, for example, support for launch of a new WTO round, encouragement of a rapid advance in the negotiations of the association agreements with Mercosur and Chile, and paving the way to negotiate these kind of agreements with other Latin American and Caribbean regions. Once our common dialogue is reinforced, we will have a better platform for proposing to our governments specific recommendations to improve EU, Latin America and Caribbean economic relations, and to call on them for their implementation.

Secondly, promote the exchange of experiences and good practices between business organisations, with the objective of strengthening our organisations. This will undoubtedly reinforce our positions vis-à-vis our respective governments. The cooperation should be specially strengthened among the business organisations of the different integration areas. In Europe, the result of this cooperation was UNICE. To succeed in the task of establishing a partnership with the regional institutions for an organisation with so many members, we need very close coordination of the work of the experts from all federations, and above all, a strong willingness to arrive at consensus. This will also be essential for the Latin American and Caribbean organisations.

I cannot but welcome recognition by the EU, Latin American and Caribbean Heads of State and Governments in the Conclusions of their Rio de Janeiro Summit, of the priority role to be played by the business community. Furthermore, the concrete encouragement given by our governments to this Summit, that has brought us together here in Madrid is another encouraging sign of the development of a strong partnership. Business is a key factor for restructuring civil society and developing new, stable, job-creating and environmentally sound industrial activities.

With the next Heads of State and Government Summit in 2002 in view, business will assume its responsibilities and contribute to strengthening our mutual relations. This Conference is a big step in that direction, which I hope will be followed by other initiatives to allow progress in the European Union-Latin America and Caribbean relationship.

I hope this Summit will be crowned with success and will produce specific proposals.

Thank you for your attention.