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**UNICE DAY - "WHY DO COMPANIES CARE ABOUT EUROPE?"  
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**"YES TO EUROPE, WHEN IT DELIVERS !"  
10H25- 10H35**

**Introduction**

Ladies and Gentlemen, as Secretary General of UNICE, I am proud that we have gathered such a distinguished audience for this event and I hope the day will prove rich in frank and open exchanges between our invited speakers, but also with you in the public.

I would like to thank warmly all persons involved in the organisation as well as our sponsors for their support.

This conference starts under the best possible auspices. We celebrate the long-awaited return of growth in Europe. We are currently observing a recovery gaining traction. A recovery is broadly based across countries and sectors. This should translate in growth this year of around 3% for the EU as a whole: the best record in six years.

This is of course good news and implies that we will broadly be able today to talk about consolidating a positive momentum rather than lamenting the economic decline of Europe.

But let us make no mistake. This does not mean that the challenges have gone away. We cannot afford to forget about reforms as soon as the economy does slightly better.

Can European decisions help us to move forward and allow us envisage the future with confidence? Absolutely! This is why companies care so much about Europe.

We are going to discuss three areas where Europe is particularly needed: the internal market, the growth and jobs strategy, the external trade policy.

To illustrate the challenges in these three areas and spell out companies' expectations, we have prepared the brochure you have received. This brochure elaborates on key facts and figures and presents the outcome of a poll of European companies organised especially for this event.

Let me draw from the material presented in this brochure to make some introductory remarks, before leaving the floor to our first panel.

## **Internal Market**

### **Slide 1: “Market integration is a powerful growth engine”**

First of all, the internal market. For European business, this is the cornerstone of a European growth strategy. The internal market must be considered as a key asset in globalisation.

Look at this slide. The process of integrating European markets has already produced remarkable gains for companies and citizens. Trade within the EU has increased since 1993 by around 30% in proportion to GDP. And overall, around 2.5 million additional jobs have been created.

But the business community is not complacent. The internal market is still a distant prospect in key areas. Companies are not satisfied with current progress.

### **Slide 2: “The price of lacking an internal market for services”**

The debate on the creation of a genuine pan-European services market is proof of the difficulties.

The services directive in its current form is the result of a delicate political balance, OK. But we cannot be very optimistic about the opportunities it will create in the shortterm.

This is a shame because services account for 70% of the economy. This slide shows: the more restrictions, the less productivity growth. This illustrates the substantial productivity gap with the US over the last decade. It is closely connected to excessive regulation and market segmentation in Europe.

For European business it is crucial to see a strong recommitment to the internal market objectives. We warn against the risks of surrendering to protectionist pressures. I am sure this message will come across loud and clear during the discussions today, in particular in workshop 1 which will be dedicated to this issue.

## **Growth and Jobs**

### **Slide 3: “Implement the reforms to unlock business potential”**

Our second priority for the EU is to ensure effective implementation of the growth and jobs strategy.

At the current juncture, European companies, and in particular SMEs, face a long list of obstacles, from stringent regulations to high taxation, which restrain their capacity to grow and adapt in a fast-changing environment.

Look at the third slide. This results in the rather distressing fact that in Europe, the most productive companies are not necessarily those

creating more jobs. In the US, jobs are created by high productivity companies.

This helps explain why we have here low aggregate productivity and a less dynamic labour market.

What should be done? Better regulations, coherent innovation policies, flexible labour markets and sustainable social systems. Member States play a strong role in all these areas. We expect the Commission to put pressure on member states who fail to deliver on their reform promises. This will be the debate in workshop 2.

## **Globalisation**

### **Slide 4: “Open access to high growth markets”**

To succeed in globalisation, companies also need a strong EU trade policy.

With the rapid emergence of new trade giants like China and India, our success relies on our capacity to access these markets.

From slide 4 you will learn two important pieces of information. The first is that Chinese exports have already overtaken those of Japan. The second is that the European Union is still and by far the champion in exports. European Union exports grow faster than Chinese ones.

Globalisation is therefore an extraordinary opportunity. An assertive external trade policy should concentrate on market access.

In yesterday's Financial Times, the President and Vice-Presidents of UNICE, on behalf of all the members made our position clear:

- yes: priority to WTO and Doha negotiations;
- yes also to bilateral trade initiatives that are complementary to the multilateral approach.

This will be the interesting discussion in workshop 3.

## **Conclusion**

### **Slide 4: "Does Europe care about companies?"**

By the end of this event, and after having debated the virtues and drawbacks of European policies, we will have to ask ourselves: does Europe really care about companies and understand their needs?

I don't want to pre-empt the conclusion. I want to share with you what a poll of 320 companies surveyed for UNICE Day is telling us.

The perception is that Europe has delivered positive results for companies, but not enough. 50% say: Europe cares to some, or to a large, extent. 40% of companies say: Europe does not care sufficiently about them.

The purpose of this day is to debate how we could do better in this global world. The purpose of this day is how to make the needs for better business development better understood.

The most important purpose of this day is how the political institutions and the European business can strengthen their links.

Have a good day !

*Introduction to the first panel ...*