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**EUROPEAN BUSINESS SUMMIT
PLENARY SESSION
“THE FUTURE OF EUROPE: IT IS OUR BUSINESS”
16 MARCH 2007 / 10H45 – 12H15**

**SPEECH BY ERNEST-ANTOINE SEILLIÈRE, BUSINESSEUROPE
PRESIDENT**

Minister Glos,
Commissioner Verheugen,
Ladies and Gentlemen, distinguished guests,

- We are gathered here in front of this distinguished audience to discuss the Future of Europe, and this only one week after the Spring European Council and the important conclusions Head of State and Government took on many issues which are extremely important for the European business community. As mentioned in the title of this plenary session, Europe and its future is our business, and now more than ever.
- The celebration of the 50th anniversary of the Rome Treaties will give us the opportunity to assess Europe's achievements and look ahead to future opportunities.

European competitiveness:

- Current economic conditions offer a unique opportunity to restore Europe's competitiveness and growth potential. After a strong 2006, the European economy is set to continue on a recovery path this year, before stabilising around its growth potential. The pace of job creation is particularly encouraging at present.
- In this context, we agree with the generally positive tone of the European Spring Council conclusions. We also ask Member States to commit to take full advantage of the improving overall economic situation to strengthen the momentum for reforms and thus to further improve Europe's global competitive position.



- As BUSINESSEUROPE has published in our European Reform Barometer, our member federations' assessment of progress achieved in reforms for growth and jobs is less positive than that made by the European Commission. Commissioner Verheugen, the European Commission came to the conclusion that progress in reforms made last year was "good" or "very good" in as many as 18 Member States. In contrast, only 8 national business federations assess progress in their countries as "satisfactory". And, Minister Glos, our German Federations – BDI/BDA – have assessed the progress made by Germany as unsatisfactory in comparison with the good progress assessment given by the European Commission.
- This is why, for BUSINESSEUROPE, more growth and jobs continues to be the central challenge for the EU. For that we need stronger national ownership of the Lisbon Strategy and its objectives. While initiatives to implement reforms for growth and jobs are taking shape in all Member States, too many reforms are still not fully implemented or have not fulfilled companies' expectations. It is vital for Europe's future prosperity to keep up the reform momentum.
- I cannot miss this opportunity to give you BUSINESSEUROPE's impressions on two other main issues with enormous importance for Europe's competitiveness: climate change and energy.
- The European Council took important decisions on both issues. A global approach remains key in order to tackle the issue of climate change and maintain Europe's competitiveness. The business community is fully aware of this important problem and prepared to contribute to finding solutions. By the way, a great deal has already been done by businesses; much more than other stakeholders, much more than elsewhere in the world! Europe should engage in international negotiations on that issue to share the burden. And BUSINESSEUROPE is willing to cooperate and contribute to achieving this goal.
- But it is one thing is to take decisions at the Spring Council, and another to implement them. The Commission and national governments should put in place an taking into account the competitiveness of European industry, the real technological possibilities and cost-effectiveness. In that respect, the binding target of 20% for the development of renewables is very ambitious and, frankly, I don't know how it will be achieved. BUSINESSEUROPE calls for more clarifications as to how this target can be implemented in practice.
- In general terms, BUSINESSEUROPE is supportive of a general increase in the use of renewable energy, but meeting this binding target must not



threaten an energy supply at competitive prices. What it is important is to leave all energy options open, in particular the use of nuclear energy. The business community now expects from the European Commission a more concrete plan that will be discussed with business.

Business Declaration

Minister Glos,
(Commissioner, Ladies and Gentlemen)

- Let me summarise my intervention with the main messages integrated in the business declaration we are handing over on the occasion of the 5th European Business Summit.
- Europe must seize the opportunity of the current business cycle upturn to complete reforms for growth and jobs and must not stop short, thereby repeating the mistakes of past recoveries. In light of the 50th anniversary of the Rome Treaties BUSINESSEUROPE calls for:
 1. **Implement the reforms for growth and jobs,**
BUSINESSEUROPE urge all the national governments to act and adapt their policies in order to be able to face global competition, technological challenges and an ageing population.
 2. **Reinvigorate the integration of the internal market,**
The integration of the European market creating one single market for people, goods, services and capital is essential.
It creates synergies companies need, it offers a wider choice to customers, it is an appropriate answer in global competition.
 3. **Complete the reform of the EU governance,**
The challenge today is to solve the EU institutional problems arising with 27 members today, and more tomorrow.
 4. **Fight national protectionism,**
The fight against national protectionism is part of the internal market strategy. It is important to underline this, especially because we have seen some attempts from larger countries to protect their companies against mergers and acquisitions coming from outside. The concept of “national champions” is not the answer, nor is the intervention of governments in business mergers.



5. Take advantage of the opportunities of enlargement,

Enlargement has breathed new dynamism into the internal market. This is a major opportunity to sustain European competitiveness in the face of fast globalisation. From a business perspective, enlargement has been a genuinely positive contribution to growth and jobs in Europe.

6. Reform social systems to make them sustainable,

We need not debate whether there is more than one social model in Europe, what is important to accept, also for business leaders, is that, when there is economic growth, when productivity improves, part of it must be used to create more solidarity and to support social welfare.

- We count on the “savoir faire” of Mrs Merkel and the whole German Government for a successful German Presidency to restore companies’ and citizens’ confidence in the European project.
