



29 June 2007

### **5<sup>TH</sup> WORLD INVESTMENT CONFERENCE LA BAULE “MAKING EUROPE MORE ATTRACTIVE”**

**29 JUNE 2007 – 8H45 (ATLANTIA CONGRESS CENTER-AUDITORIUM)  
OFFICIAL OPENING ADDRESSES  
ADDRESS BY MR ERNEST-ANTOINE SEILLIÈRE,  
PRESIDENT OF BUSINESSEUROPE**

#### **INTRODUCTION**

Ladies and Gentleman,

It is a great pleasure to be here to present how the organisation I am representing works day to day to make Europe more attractive.

BUSINESSEUROPE represents more than twenty million companies. Our members are 39 national industrial and employers' federations from 33 countries. All our federations work together to improve growth and competitiveness in Europe, while seeking to promote the prosperity and development of European companies. Two weeks ago in Berlin during our Council of Presidents I had the pleasure to be elected for a second mandate of two years as President. I feel very honoured that all member federations have given me their unanimous support for a second term as BUSINESSEUROPE President.

#### **THE EUROPEAN ECONOMY**

The European economy is evolving positively, the current economic gives us a great opportunity to adapt the European Union to the challenges of globalisation, but we are waiting for strong political solutions concerning the institutional problems. Is in this framework that I will continue to express the views of European business in all key debates that shape the future of our continent.

After years of record growth in the rest of the world, there are today encouraging signs that the European economy has finally caught up and is today in a relatively convincing recovery momentum. Growth in the EU is currently hovering around 3%, investment is increasing at an annual rate of 6½% and inflation is at a low 2%. This is a good performance by European standards, in fact the best since the boom of the late 1990s.



Structural improvements are playing a role in this economic revival. After more than 17 million job creations over the last decade, we expect that the EU economy will add another 8.5 million new jobs over the period 2006, 2007 and 2008. This remarkable dynamism in the labour market is unprecedented since as far back as the late 60s.

Of course, challenges have not disappeared: productivity growth remains disappointing, unemployment is still high in some parts of the EU and competitiveness imbalances between member states are relatively marked. But these challenges offer also great prospects for Europe. These challenges mean that there is still a significant untapped potential for growth and job creation in the EU, one that can be unleashed if both EU and national policy-makers can move forward with the necessary reforms.

So, yes, the good tidings are encouraging, and I find rather unexpected feeling of confidence among the business community. Generally speaking you find a more positive view on the Future of Europe that two years ago, but this is not a reason to rest on our laurels. This is no time for complacency.

## **THE EU GOVERNANCE**

We still have some way to go if we want to shape globalisation and we all know which European weaknesses are, beginning with the need to resolve the EU's institutional governance.

We acknowledged the progress made by the German Presidency to de-block the institutional debate and the "*savoir faire*" of Chancellor Merkel with the bilateral contacts established around all European capitals. We welcomed the outcome of the European Summit last week. After almost six years of institutional debate the basis has now been laid to move forward. A clear mandate is now in the table for the Intergovernmental Conference to reach a conclusion and put an end to the governance problem.

Improving the efficiency and transparency of European institutions while preserving the "Community Method" is vital for the success of the European Union. Someone can argue that it is not up to business to be involved in the institutional debates but we have the right to ask for a positive outcome in the Intergovernmental Conference. It is fundamental and it is also of almost importance for Europe's competitiveness. What is key for business is that the Treaty calls for a high-level of competitiveness for the EU and put at its disposal the tools it needs to achieve this objective. We need more efficient governance, including in the area of economic policy coordination.

If the institutional stalemate is not overcome, there is a distinct risk that the EU will not be able to live up to expectations and hence risk irrelevance for the business community and for the EU citizens at large.



## **BUSINESSEUROPE PRIORITIES**

BUSINESSEUROPE will continue to make an active contribution in the debates on the European Union for the better of the businesses and the citizens. Is in this framework that we have also updated our priorities to better translating to European policy-makers the need for a boost to Europe. BUSINESSEUROPE is going to tackle them specially working on the following areas:

### **1. IMPLEMENT THE REFORMS FOR GROWTH AND JOBS**

The Lisbon Strategy launched in 2000 is the most ambitious the Union has never had. But the outcome until now has not been the expected probably due to a lack of commitment from the European institutions but more important for a lack of national ownership. The “re-looking” of the strategy into the Growth and Jobs strategy in 2005 and the promise of Commission President Barroso to make it its first priority has been very welcomed by the European business community; but more concrete results are still needed.

BUSINESSEUROPE urges all national governments to act and adapt their policies in order to be able to face global competition, technological challenges and an ageing population. After last year’s Spring Council, we carried out a successful project with our national member federations, to evaluate progress in economic reforms in each country. We asked national business federations a number of concrete questions to evaluate progress in public finances, business environment, research and innovation, internal market implementation, labour market, and education. I am convinced of the interest of this exercise and proud of the responses from each federation which were not afraid, on the contrary, to voice the areas where they did not share the complacency of national governments.

We are in concrete asking to:

- Strengthen the link between research and innovation;
- Adopt an efficient patent system;
- Pursue a broad programme of better regulation
- Fight against public deficits
- Foster entrepreneurship and SME growth

### **2. INTEGRATE THE EUROPEAN MARKET**

Europe’s internal market is a tremendous instrument for economic power. But is must be adapted to the realities of the 21st century: it must respond to the challenges of globalisation and take up new opportunities in an enlarged European Union. Better enforcement of the principles and legislation governing the Internal Market should be one of the priorities for future action. It is essential for its well-functioning and plays a central role in citizens’ and companies perception of Europe.



We expect from the Union to make markets function smoothly for businesses and citizens: 1) ensuring effective implementation of the internal market rules; 2) investing in efficient European network industries; 3) removing all hurdles to movement of workers, goods, services and capital; 4) implementing the services directive which will effectively foster growth and jobs and 5) take advantage of the opportunities of an enlarged European Union.

### **3. SHAPE GLOBALISATION AND FIGHT ALL KINDS OF 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.

In the context of globalisation I think it is of almost importance to recall the need to conclude an ambitious WTO Round which remains the number one priority in the international sphere: it is encouraging to see how the major players have committed themselves to redouble their efforts for ambitious conclusion of the round. However, the continuing failure of negotiators to reach a breakthrough on the core issues of industrial goods, services and agriculture is a serious concern. European companies urge all participants in the talks to make a deal now.

In parallel, BUSINESSEUROPE also supports the negotiations for bilateral trade and investment agreements with India, ASEAN and Korea. Such agreements should be complementary to the WTO and based on reciprocal trade liberalisation with partners and in the broadest product coverage possible in services and goods.

### **4. PROMOTE A SECURE, COMPETITIVE AND CLIMATE-FRIENDLY ENERGY SYSTEM**

Energy and Climate change are of most interest for European companies and will be at the core of your debates today.

We believe that the European Union is at a key juncture in energy and climate change issues. It has become crystal clear that simply juxtaposing twenty-seven national energy policies cannot deliver the integrated and balanced solutions called for by the key challenges of the competitiveness of European companies; security of energy supply and climate protection.

The completion of the internal market for energy remains a top priority for business. It is a sine qua non for increased energy efficiency and, consequently, emission saving. A fully integrated energy market will enable us in Europe to optimise our available resources and thus present a win-win situation for the environment and competitiveness.



We have to clearly raise our position with a single voice, pointing out that improving cooperation between national energy regulators presupposes a strengthening of their independence and greater formality in the cooperation process that exists in the current Regulators Forum.

On renewable energy sources, the EU target is extremely ambitious. We are 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. Implementation must leave all other energy options open, in particular the use of nuclear energy. In the enlarged EU, nuclear electricity already saves the emission of nearly 600 million tonnes of CO<sub>2</sub> a year. For an equivalent saving in the transport sector, the current use in motor vehicles in Europe would have to drop by 80%.

Huge research and innovation efforts will have to be undertaken in the next years on energy technologies, and business expects substantial support from the public sector in this respect. Indeed, BUSINESSEUROPE welcomes Commission initiatives for an EU Strategic Energy Technology Plan provided that it adopts an integrated approach, enabling the market to drive new technologies from basin research market penetration. An evaluation of the entire value chain of technologies is imperative to identify where more support is needed in order for technologies to progress.

On climate change, we have to be very united. Companies are key players in finding solutions to the challenge, and many of them have incorporated tackling climate change into their long-term strategies. A global approach remains essential in order to tackle the issue and maintain Europe's competitiveness. Europe should engage in international negotiations on that issue to share the burden. We are willing to cooperate and contribute to achieving this goal and we expect other international players to do the same.

I hope my introductory works can be of inspiration for the debates you will undertake today. I wish you a very successful Conference. Thank you for your attention.

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