



SPEECH

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ADDRESS BY PRESIDENT OF BUSINESSEUROPE ERNEST-ANTOINE SEILLIÈRE

HELLENIC FEDERATION OF ENTERPRISES - SEV GENERAL COUNCIL

7 APRIL 2008, 18H30 – 20H30, ATHENS

Dear President,
Ladies and Gentlemen,

My first words will be to thank you for the kind invitation to address your General Council meeting today. This is for me the opportunity to reiterate the strong links and successful collaboration between SEV – with Ulysses Kyriacopoulos previously and now with Dimitris Daskalopoulos – and BUSINESSEUROPE.

2008 marks the 50th anniversary of BUSINESSEUROPE. This year is the time for us, BUSINESSEUROPE and our 39 member federations, to celebrate the successes achieved towards economic integration, growth and prosperity in Europe. I recall that SEV has been a member since the very beginning, in 1958, even if at that time Greece was not yet a member of the European Communities.

I have to compliment you also on economic achievements. Greek companies are the cornerstone of the Greek dynamic economy. For over a decade, the GDP rate has continuously outpaced the Euro area average enabling Greece to catch up significantly with other EU economies.

Greece faces many challenges and is not immune to present global challenges but reforms are ongoing as our recent Reform Barometer has illustrated. The recent reform on social security systems confirms this momentum.

Social dialogue is key to maintain the momentum for reforms and ensure their smooth implementation. Hence I would like to congratulate you on the important agreement you concluded at the end of March with the trade unions. It can be considered a success which rewards the commitment and determination of Greek employers in a sometimes difficult social environment. This also shows that you believe in social partnership.

However, taking stock of these positive national results should not distract us from looking forward at future challenges facing Europe and European companies.

The world economy is facing an unprecedented level of uncertainty. The President of the Federal Reserve has alluded to a US recession, continuing financial market turmoil and rising inflation. In addition to that, there are important structural and long-term shifts. Rising raw material and energy prices, demographic pressures, climate policies will change fundamentally the way industry evolves.

As we know, European companies are strong and competitive. If that was not the case, we should not be the world champions in exports! But as we said in our document to celebrate our 50 years of existence, we need successful companies if we want a successful Europe.

Therefore, with all the Presidents of our members, we have set the following priorities in order to make the European Union a competitive area:

1. We need to make real progress in the implementation of the Lisbon strategy, continuing with reform processes beyond 2010. The strategy is good but the goals will not be achieved. Therefore we already say how the strategy will have to be pursued after 2010.
2. Deepening the EU single market and ensure effective enforcement notably of the services directive is a must. The single market of 500 million people in 30 countries (EU-27 plus Iceland, Liechtenstein and Norway,) is the perfect basis to strengthen European companies in order to face global competition, and is therefore a tremendous instrument for economic power.

Since the 1990s, 2.75 million extra jobs have been created thanks to the Internal Market and EU GDP has risen an extra 2.2%. Cross-border investment flows of 430 billion euros per annum and 70% of Member States' exports are destined for other EU countries.

3. We have a social agenda at EU level. The agreement we reached last year on – inter alia – flexicurity is a milestone in the social dialogue. But, as you know in social affairs, a lot has to be done at national level notably in the allocation of sufficient resources to education and training to look at how economic immigration can best meet the demands of an ageing society and the lack of skilled people
4. We want to fight protectionism in the European Union and in the world. This is the only way forward. As already mentioned, the single market is the success of Europe but far from complete. At global level, we urgently want to see the Doha negotiations finalised. Not at any cost but under conditions where all companies can benefit from more market access.

5. The European Union has to finalise the governance deadlock. We are in the process of ratifying the Lisbon Treaty which is a good thing:
 - the Council will have a permanent President,
 - Commission will have a limited number of Commissioners,
 - the EU will be able to coordinate its foreign policy with the High Representative who will be part of the Council and Vice-President of the Commission, and
 - finally, most important, many more decisions will be taken by qualified majority.

6. Finally, the energy and climate change policies are amongst the key issues BUSINESSEUROPE deals with. We have changed from a defensive into a proactive attitude but making the competitiveness of European industry a precondition for a sound policy.

BUSINESSEUROPE is committed to promote a secure, competitive and climate-friendly energy system.

What we want to see is:

- the competitiveness of European industry being maintained,
- the security of the EU's energy supply being strengthened,
- and efficient policies designed to control the EU's carbon emissions being developed.

If we are to achieve this, the starting point should be that climate protection must not be opposed to growth and competitiveness. However, companies are concerned about a number of elements in the energy and climate package put on the table by the European Commission in January.

Massive investment investments in the energy sector, in the transport sector, in the residential sector and in the search for new industrial production technologies will be needed to evolve towards a low-carbon energy system.

Energy-intensive industries in particular will face heavy additional burdens resulting from the transition towards a low-carbon economy. Clearly, mitigation measures will be needed to alleviate the competitiveness pressures.

So far, the European Commission has been receptive to our concerns but we cannot afford to slacken our vigilance.

Further, BUSINESSEUROPE is firmly convinced that there will be only one way to meet the climate change challenge successfully, from an environmental as well as an economic point of view: by finding a global agreement which also includes all major emerging economies.

These positive results could not have been achieved without continuing advocacy for a more business-friendly environment.

Finally, I would like to say something about the European economic situation. As we will publish our Economic Outlook in a few days, I will not reveal it all but I think that we can still express some optimism:

- the European economy will still grow and even stronger than the US of the 3rd year;
- Companies results remain strong, certainly in industry;
- Investment predictions are quite positive;
- Export are still at high level;
- Employment is growing.

When it comes to the euro, we have already strongly denounced the volatility. Companies are able to deal with a strong currency; dealing with volatility is much more difficult.

On top of this, we in Europe need to strengthen the governance of the Eurozone, to insist on the respect of the Stability and growth pact and therefore to force the member state to conduct sound fiscal policies. The role of the Eurogroup is key in this area.

Next week I will be in Tokyo at the G8 Business Summit, and I am willing to address the issue of the global monetary system as it functions today.

As you have noticed we have a lot to deal with in BUSINESSEUROPE. I feel strong support from all our members for what we are doing and from you as a strong organisation in particular. This is essential for me as President. It is only when I am backed by all the members that I can raise my voice on behalf of European business to strengthen our position and to turn the European Union into an attractive place to invest and to conduct business.

Thank you for your attention.

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