



SPEECH

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BUSINESSEUROPE SEMINAR ON EU DEVELOPMENT POLICY ROOM EUROPE – 8 MAY FROM 09.00 TO 17.00

INTRODUCTORY REMARKS BY PHILIPPE DE BUCK, SECRETARY GENERAL OF BUSINESSEUROPE

Welcome Ladies & Gentlemen,

We are happy to welcome you to this round table event on EU development policy. It is a pleasure to have you here this morning to discuss several key *issues that are important to both EU businesses and development policy*. Also, we are honoured to have Louis Michel, the Commissioner for Development and Humanitarian Aid, among us.

The aim of today's conference is to prepare the ground for closer dialogue between EU development policy officials and European businesses. Not only is EU development policy important for European businesses, companies can also make a significant contribution to development. Therefore, cooperation with business in the field of development aid needs to be strengthened.

The aims of development policy agencies and European companies are not mutually exclusive. On the contrary; economic growth and private sector initiatives are vital ingredients for reducing poverty in developing countries. *We are therefore convinced that EU development policy is not only important for European businesses but also that European business can significantly contribute to the objectives of EU development policy.*

Let me briefly explain why:

- First, EU development policy is important for European businesses.

European businesses encounter many difficulties in their operations in developing countries. Often, a lack of sound economic governance is identified as the biggest challenge for doing business in developing states. As a result, trade and investment flows are hampered by opaque bureaucratic processes.

EU development policy can help overcome this challenge. An important new element of development cooperation is 'direct budgetary aid'. The objective of direct budgetary aid is to increase the capacity of developing states to govern effectively. *Development policy thus aims to promote better governance in developing countries.* As a result, European trade and investment can only flourish.

- Second, European businesses can significantly contribute to the objectives of EU development policy.

Currently, European businesses already contribute to EU development objectives by investing in developing countries, thus creating new jobs and stimulating a strong local private sector. In 2006 alone, 40% of EU foreign direct investment (equivalent to more than €100 billion) went to developing countries. In addition to these investments, European businesses make significant development-related investments in the form of transfer of expertise and technology. This results in, amongst others, an improvement of local staff qualifications. Furthermore, EU companies are world leaders in the field of voluntary corporate social responsibility (or CSR). *There are thus a number of ways in which European businesses contribute to achieving development objectives.*

This can only lead me to conclude that EU development policy is important for European businesses, just as European businesses are important for EU development policy.

This seminar provides an excellent opportunity to take a more comprehensive view of the ways in which EU businesses can promote development. Today we will therefore discuss a host of key issues, such as:

- **Tendering procedures,**
discussing how closer monitoring of policy implementation and an improved information exchange between officials and business can lead to better compliance with procurement rules.
- **Infrastructure development,**
focussing on the benefits of strengthening both the physical infrastructure as well as the communications infrastructure in developing countries.
- **Strengthening of the private sector,**
elaborating on how development cooperation can promote better governance in developing nations, facilitating growth of the local private sector.
- **The regionalisation of aid,**
analyzing the EU's approach to regional integration and assessing how the creation of regional markets can boost competitiveness.

- **Ensuring sustainable development of raw materials,** discussing the compatibility of development policy and raw materials policy and outlining how developing countries can ensure sustainability of raw materials.

Through an enhanced dialogue on these issues, European business can become more involved in reaching development objectives. Policy objectives will only profit from the support of business and from business contributions.

I hope that this seminar will strengthen the cooperation between development policy officials and business.

Now I give the floor to the Commissioner for Development and Humanitarian Aid, Louis Michel...