



## SPEECH

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### ELEMENTS FOR AN ADDRESS BY PHILIPPE DE BUCK SECRETARY GENERAL OF BUSINESSEUROPE

EICTA BOARD MEETING  
20 MAY 2008, 12H40

#### 1. BUSINESSEUROPE's priorities

On the occasion of our 50<sup>th</sup> anniversary this year and in view of the renewal of European institutions in 2009, BUSINESSEUROPE addressed a message to policy-makers: we need successful companies if we want a successful Europe and vice-versa. How do we achieve this?

1. **We need to make real progress in the implementation of the Lisbon strategy.** The strategy is good but clearly the goals will not be achieved without a stronger commitment to reforms at political level. In addition we need to look already now at how the strategy will have to be pursued beyond 2010.
2. **Deepening the EU single market** and ensuring effective enforcement of rules, notably of the services directive, **is a must.** Barriers to the free movement of workers, goods, services capital and knowledge have no place in today's Europe.
3. Hand in hand with these policies **we must modernise our social systems and reform labour markets** in order to meet the demands of an ageing society and the lack of skilled people. The flexicurity approach is key in this respect. So is an effective social dialogue at EU and national level.
4. **We want to fight all kinds of protectionism in the European Union and in the world.** In a globalised a strong multilateral trading system is needed. Therefore we urgently want to see the negotiations of the Doha Round finalised but not at any cost. European companies want and need real market openness and new export opportunities, particularly in highly competitive emerging countries like China, India and Brazil.
5. We also attach the utmost importance **to good governance and a swift ratification of the Lisbon Treaty.** This is key to ensure that a European Union of 27 Member States remains operational. 13 countries have ratified the Treaty so far.

6. **BUSINESSEUROPE is committed to promote a secure, competitive and climate-friendly energy system.** We call for the development of efficient policies designed to reduce global carbon emissions. At the same time we need to strengthen the security of the EU's energy supply.

This should be done hand in hand with the competitiveness debate: we will not be able to evolve towards a low-carbon energy system if the competitiveness of European industry is sacrificed. Europe must keep its industry in Europe as the basis for growth and jobs and for continued investment and innovation in environment-friendly and energy-saving technologies.

Moreover, 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 in Copenhagen next year.

*The priority areas I mentioned are the areas BUSINESSEUROPE is also currently actively working on.*

*But I would like to highlight a few specific issues on the occasion of this meeting, which I would also be pleased to discuss with you.*

## 2. Economic situation

- BUSINESSEUROPE has recently released its “Economic Outlook”. We are convinced that excessive pessimism regarding the European economy is misplaced and forecasts EU GDP growth to average 2.0% in 2008.

The six reasons supporting our cautious optimism are:

1. Higher-than-expected growth over the last two years;
  2. Supportive labour market conditions;
  3. Sound corporate balance sheets;
  4. Dynamic demand from emerging economies;
  5. Lesser impact of high energy prices compared with international competitors;
  6. Limited risks of significant housing market corrections at EU-wide level.
- The current economic situation calls for a number of actions to achieve the forecasted growth potential:
    - Inflationary pressures must be contained in coming months;
    - EU member states must stick to their commitments under the Stability and Growth Pact;
    - The EU must continue to forcefully engage its global partners to ensure sustainable exchange rate patterns.

Does your sector share this “cautious optimism”?

### 3. Telecoms

- The telecom services market represents more than 40% of the total ICT market in the EU, with a value of €300 billion in 2006. It also accounts for 1.2 million jobs. It is a key competitiveness enhancer of businesses and the economy as a whole. Mobile communications set an example of the leading role of Europe in the ICT market today: we have the highest penetration rates of mobile use in the world, an average of 111%, with some countries reaching over 150% penetration.
- The electronic communications sector is challenged and under high competitive pressures, in particular from outside of Europe. Europe needs to maintain a competitive edge in relation to Asia or the USA, especially in the area of electronic communication services, which support productivity and innovation in other sectors.
- The proposals to modernise the EU framework for electronic communications that are currently being discussed at the European Parliament are of great importance. They will contribute actively to the well-functioning of the single market, to European companies' competitiveness and to the achievement of the Lisbon objectives.
- EICTA and BUSINESSEUROPE share a common position on many points of the proposed modernisation of the electronic communications framework. In particular:
  - Modernisation should focus on the contribution that the telecoms and ICT sectors make to Europe's competitiveness, both within the Internal Market and globally. This means encouraging and facilitating **investment** in the deployment of new ICT infrastructures and **competition** among innovative new services.
  - A flexible market based approach to the **management of radio spectrum** is needed, in order to support economic and technical efficiency. By promoting the economic value of the radio spectrum and the wider benefits generated by its more efficient use, the new approach will have a significant positive impact on competitiveness, growth and employment.

### 4. WTO and Transatlantic Economic Council

- Apart from this, WTO negotiations and further market opening are also important for your sector.
- At the last TEC meeting on 13 May, electronics were discussed. However the TEC still needs to deliver on other issues that have been raised by business: Supplier's declaration of conformity for electrical and electronic equipment (SDoC) is one among them. The Occupational Health and Safety Commission

needs to move decisively towards allowing companies selling these products in the US to do their own safety testing, avoiding having to use expensive outside laboratories.

## 5. Energy efficiency and ICT solutions

- Energy efficiency is very strongly linked to technological innovation. Research and rapid take-up of innovative, energy efficient ICT solutions will be important for delivering CO2 reductions across the economy. The ICT sector could increase energy efficiency in all areas of the economy. Promoting a market for energy-efficient technologies is also a potentially long-term source of competitiveness, growth and jobs.
- Energy efficiency is likely to be a significant contributor to cutting carbon emissions by 2020, and the ICT sector can play an important role for reaching those goals. ICT has the potential to help reduce energy consumption and therefore greenhouse emissions, but this opportunity is still highly underused to date.

*Ladies and Gentlemen, thank you for the opportunity to share a few thoughts with you on the occasion of your Board Meeting.*

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