



SPEECH

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TRIPARTITE SOCIAL SUMMIT 15 OCTOBER 2008

INTERVENTION OF ERNEST-ANTOINE SEILLIÈRE PRESIDENT OF BUSINESSEUROPE

Prime Ministers, Mr President of the European Commission, Ministers, Commissioner Ladies and Gentlemen

We are meeting in the midst of a serious financial crisis. The degree of uncertainty for companies and households has increased tremendously and the knock-on effect on growth and job creation will unfortunately be appreciable.

In this context, we have warmly welcomed the outcome of the summit convened by the French Presidency in Paris on 12 October, where the 15 euro-area governments, the European Commission and the ECB have demonstrated collective responsibility and leadership. Their coordinated action plan being implemented by countries not only represents the right approach to alleviate the crisis and restore confidence. It also signals a genuine step forward in the governance of the European Economic and Monetary Union. In this regard, the press conference with Presidents Sarkozy, Barroso and Juncker as well as Governor Trichet side by side following this joint effort leading to coordinated measures is truly historic.

We expect a similar degree of collective responsibility to be shared by European Heads of State and Government at their meeting later today and tomorrow. European governments must send an unambiguous signal proving their attachment to a coordinated European but also global approach. More coordination of market supervision, state guarantees and other measures to limit the crisis is vital at present. On this point, we note with interest the establishment of a Committee of Wise Men headed by Mr Jacques de Larosière.

Companies want regulation to be strengthened, in particular to amend the rules governing rating agencies and fair value accounting. But we know that excessively hurried regulations drawn up in a rapidly evolving financial situation could prove counterproductive and slow down the recovery.

We must find solutions based on the common concerns of companies and workers. A priority measure is to maintain a continued flow of credit to the economy and facilitate companies and households' access to finance. That is the main consequence we expect from the European plan and from the action taken by ECB, which we applaud for its determination and its effective action (while still encouraging it – and this will come as no surprise – to continue along the route of lower interest rates).

We must also look at the social consequences of the crisis. We need to find the right response to deal with concerns about purchasing power. The answer is not spiralling wage increases in the current economic environment. We know that this would only lead to higher prices, less employment and greater anxiety. Inflation can wipe out companies' pay efforts.

In these uncertain times, we need to look for win-win solutions. We think that a good way to reconcile wage policies and companies' competitiveness is the development or further improvement of financial participation schemes which give employees a stake in the success of a business.

Prime Ministers, Mr President, in addition to the financial crisis, you will also be discussing the EU climate change and energy package.

As we know, European employers support the general objectives of the EU energy and climate policy. But we insist that all measures must be designed to contribute to three policy objectives and not just one: environmental protection obviously, but also energy security and competitiveness of European industry.

CEEP, UEAPME and EURELECTRIC will later explain the implications of climate change and energy package for their members. We are all convinced that it will provide opportunities for technologies and businesses.

However, the transition towards a low-carbon economy could have negative effects on employment. We know that additional costs imposed by EU climate and energy policies will hurt the international competitiveness of energy-intensive industries in particular. But it is nevertheless essential that companies stay in Europe.

European social partners can play an important role in helping to control the negative impact on employment. We have just started discussions on the content of our next social dialogue work programme. Employers are prepared to work with the trade unions on this issue. The creation of a consultative committee is desirable in order to involve the European social partners more effectively in the discussions on the EU energy and climate package and its impact on employment.

A quick word on the recent ECJ cases on the balance between fundamental economic freedoms and social rights. For us, it is clear. There is no need for a revision of the Posting of Workers Directive. But we acknowledge the importance of reaching a common understanding of the legal, economic and social aspects of these rulings. BUSINESSEUROPE has therefore accepted the offer of the Commission to undertake a joint assessment with the trade unions.



Companies will do their utmost to help us put this crisis behind us. The spirit of enterprise, initiative, determination and confidence are essential in that regard. We are encouraged by the decisions taken by countries in the framework of Europe, decisions that we believe must be acted on rapidly and better so that Europe can pursue its economic integration by equipping itself with new political tools.

Thank you for your attention.
