



SPEECH

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GOING GLOBAL: THE WAY FORWARD

WELCOME SPEECH BY ERNEST-ANTOINE SEILLIÈRE BUSINESSEUROPE PRESIDENT

Ladies and Gentlemen,

It is a great pleasure for me to welcome you today to our conference. The theme of the day is: "Going global: The Way forward"!

How to guarantee the EU's export competitiveness is our major challenge today – and a key priority for European business. Many European companies are already operating globally. European products and services have world class quality and a good reputation, and are sold all over the world. Now we need to make sure that the EU companies can maintain leadership in global markets. But our companies cannot achieve this alone. They need supportive EU policies to strengthen their competitive position to create growth and jobs in Europe.

Therefore, we appreciate that so many key policy-makers are participating in today's discussions. I am particularly pleased that Baroness Ashton, the recently appointed new European Trade Commissioner, will be with us to deliver her first speech to the business community. We will also have the pleasure to welcome Vice-President Günter Verheugen, Development Commissioner Louis Michel, and Jan Figel, Commissioner for Education, Training and Culture – also responsible for the European Institute of Technology.

We chose the theme of today's debate a few months ago because European growth and jobs largely depend of the ability of companies to operate globally: Europe is the world's largest exporter and our exports contribute to a large extent to growth and employment. For example, every 4th job in Germany depends on exports. In France, a 1 billion Euro increase in exports creates 15 000 new jobs. It is in that perspective that we wanted to take stock of our strengths and weaknesses in the global economy.

Between the moment when we took this decision and today the world has changed. We are faced with a global financial crisis with very turbulent times on global stock markets, strong dampening effects on growth and jobs prospects in Europe and elsewhere.

Yesterday, we published our Autumn economic outlook. The growth prospects for Europe have darkened substantially and we expect the EU27 GDP to grow by only 0.4% next year. Labour markets will be affected as well. For the first time since 1992 employment will shrink in the Euro area. For our economy, for our workers and for our companies, we need to act to reverse this decline.

Our member federations are very concerned that the financial market crisis poses big risk to growth. But also growth in the rest of the world – and thus also demand growth in our major export markets – is a major downside risk for our companies and workers.

Does this mean that finding the way forward to going global is no longer a relevant issue? On the contrary, this unprecedented crisis has shown that coordinated responses are needed to reduce uncertainty for companies and households. Moreover, resisting protectionist temptations and taking a multilateral approach to facilitate the development of trade in goods and services is more important than ever. Closing our borders, in the EU or globally, is not the solution to the current economic crisis – international cooperation is!

The 15 Euro area governments, the European Commission and the European Central Bank have shown the way by demonstrating collective responsibility and leadership during the Euro area Summit and the European Council meeting in mid-October. The agreed action plan represented the right approach to address the crisis and to restore confidence. The guiding principles developed together at the European level have been translated into national rescue plans in a large number of EU member states, amounting to total commitments of up to 1800 billions Euros. This is unprecedented and shows the strong determination of European leaders to stop this crisis from spreading further.

We must see a similar resolve to develop concerted replies at world level during the G20 meeting on 15 November in Washington. The current instability of world financial markets can only be reduced and confidence only be restored in a common effort. Emerging economies – which have also been affected by the crisis – must play a bigger role in the new financial and economic system.

At the same time, to make sure that companies as well as workers are able to seize opportunities once the peak of the turmoil has passed, the structural reforms agreed under the Lisbon Strategy coupled with sound budgetary policies and sound wage developments must be pursued. In other words, we must continue our efforts to create the right framework conditions for European companies. They must strengthen their export competitiveness that they can maintain a strong position on global markets. This leads us back to the topic of this conference.

Ladies and Gentlemen, having a strong export performance is important for the European economy. I have already mentioned the importance of trade for growth and jobs in Europe; let me now briefly mention other advantages for society as a whole.

If companies focus on products with an added-value for them, what benefits do they gain? It leads to an effective pooling of resources and higher quality products across the world. And it strengthens their competitiveness position on world markets in the end. Exports also encourage the development of services sectors, for instance transportation and financial services.

Trade promotes an exchange of ideas, knowledge and technology at a global scale. This reinforces the innovative capacity not only of our companies but also for instance universities and research centres across Europe.

Exports do not only enhance job creation. Export-related jobs also tend to be higher paid as in most of the cases they require highly skilled employees.

Being successful on world markets spreads European standards for products and production processes around the world. This is a very important aspect as non-tariff barriers, which relate in many cases to standards applied by other countries, are increasingly hampering the international trade.

Last but not least, there is a “peace-building” function of international trade. Creating strong economic ties results not only in increased prosperity, but also discourages countries from going into armed conflicts. The prime example in that perspective is certainly the European Union itself.

Ladies and Gentlemen, creating a favourable environment for exports is therefore not only an economic concern. It creates welfare and is beneficial for society as a whole!

And I would like to stress particularly, this also requires strong international cooperation. The European Union therefore has important dialogues and negotiations with key partners. With regard to our biggest trading partner – the US, we have high expectations in the Transatlantic Economic Dialogue. Another important trade partner for instance is Russia, which is in addition an important source of energy and raw materials. Herein we also have to increase our cooperation.

The common challenge we have is to create the conditions that will allow European companies to remain or become strong on world markets. Our companies are strong global export champions today. We have to ensure that they still are world champions tomorrow!

I look forward to the debates we will have throughout the day between high-level officials from the French EU Presidency, the European Commission, the European Parliament, representatives of member states, the business community and all the stakeholders who have joined us in this room.



Before I hand over to the moderator of our first plenary, I would like to thank very much our sponsors and media partners for their strong support which made possible the organisation of this conference. Thank you very much ArcelorMittal, BASF, Caterpillar, Hydro, IBM, Rio Tinto, Solvay, BHP billiton, and Exxon Mobile for your sponsorship, and thanks to European Voice and Frankfurter Allgemeine Zeitung for the media partnership.

I wish you a very interesting day, with lively and fruitful discussions. Thank you for your attention.
