



SPEECH

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GOING GLOBAL: THE WAY FORWARD

CLOSING SPEECH BY PHILIPPE DE BUCK BUSINESSEUROPE DIRECTOR GENERAL

Ladies and Gentlemen,

Thank you for having joined us today for many very interesting and lively discussions. But all good things must come to an end! Our objective was to take stock of Europe's situation in the global economy. Are Europe's exports competitive in the global market? What do we need to do, as business and government, to support them?

We had the opportunity to hear from many different speakers their personal insights and expertise on these issues. I would like to draw some conclusions from what has been said today.

First, the European Union is a strong trader, and its future success depends very much on its performance on global markets. International trade accounts for 15% of EU GDP and Europe is the world's largest exporter! If today's policy makers wish to chart a course for the Union's future growth and prosperity, trade must play a major role!

The good news is that Europe remains the world's largest exporter today and we are outperforming the US and Japan. Nonetheless, we have seen that on top of today's economic uncertainty, there are challenges for companies in different sectors and Member States. Our future is not assured! We must learn the lessons of our discussions today and take action to meet the new challenges we face:

- the rise of emerging economies,
- the consequences of the global financial crisis,
- exchange rate volatility,
- new market access barriers – at the border and through regulation,
- access to raw materials,
- limits to our innovative capacity,
- and last, but certainly not least, the cost of our own regulatory measures – on energy and climate, on labour markets and in the barriers we place to a real internal market.

Addressing these challenges requires strategic thinking, political leadership and the right policy mix for European external and domestic action. In 2010, the EU will renew its Lisbon Strategy for competitiveness. We believe the recommendations of today's discussions should form the core of a new focused external dimension of a post-2010 Lisbon Strategy. They should be fed into the planning mechanisms of the Commission, Council, Parliament and Member States. We must work together if we are to remain competitive.

For external action, BUSINESSEUROPE's core recommendation is to continue implementation of the European Union's Global Europe Strategy.

Above all, this strategy means keeping export competitiveness of European companies at the heart of EU's external action, be it multilaterally in the framework of the Doha round, or in the EU's FTA negotiations. It also includes a strong Market Access Strategy, particularly through company and Member State involvement.

The EU needs enhance its regulatory cooperation efforts with major partners, and take a robust stance towards China on all trade related measures. This would also include modification of the Trade Barriers Regulation to encourage a more robust approach to WTO Dispute Resolution.

European policy-makers furthermore have to take action to ensure better burden sharing on the long-term trend of a falling dollar with emerging economies. A coherent strategy on raw materials, covering relevant fields of policy, must be another important part of the EU's external strategy.

Speaking about Europe's external action, this of course must also include a fair burden-sharing between developed and emerging countries in tackling climate change. The final outcome of international negotiations must be a comprehensive, global, transparent, stable, regulatory framework for the post-2012 regime.

Ladies and Gentlemen, a good export performance can only be achieved if it supported by a strong domestic growth. European companies can only be successful at global stage if they have a domestic economy that promotes competitiveness.

The completion of the Single Market, in particular the rapid implementation of the Services Directive and the new Internal Market goods package, the creation of a genuine internal market for electronic communications, as well as equal treatment for all on public procurement markets, is essential. Further measures that are needed include the establishment of the European Private Company Statute, and the elimination of double taxation and facilitation of trans-EU tax compliance. Finally, more progress is necessary to develop real European infrastructure networks through the Trans-European Networks programme and the liberalisation of energy provision.

Companies across Europe are also strongly suffering from overly burdensome regulation. The EU must do more to improve existing legislation and achieve better regulation for more growth and jobs. More weight should also be given to competitiveness effects in the impact assessments on future EU policies. Policy-



makers have to especially avoid creating unnecessary and burdens on companies with the current energy and climate proposals.

Investment in innovation is the third domestic key area I would like to highlight. The EU must direct the budget towards innovation and support the creation of a unified and comprehensive European patent system. This also needs to be done at national level where governments have to increase public spending on Research and Development to meet the 3% target of the Lisbon strategy. We also need tax incentives to develop private R&D investment, and encourage company participation in publicly funded research. Finally, fostering a more innovative and entrepreneurial society strongly depends on wide-ranging reforms and modernisation in basic and higher education systems.

Managing wage costs by wage moderation and boosting productivity growth are further key ingredients for companies' competitiveness. Members States also need go for more flexible labour markets by promoting the flexicurity model and encouraging the employability of citizens.

Strong European external competitiveness is an essential condition for European companies to remain in the future global leaders in international markets. If I pose as a question the theme of our conference today – “Going Global: The way forward?”, the only right answer can be: “Promote export competitiveness!”

Before concluding, I would like to express our gratitude to our sponsors, without whom such a conference could never have been organised: a big thank you goes to ArcelorMittal, BASF, Caterpillar, Hydro, IBM, Rio Tinto, Solvay, BHP billiton and Exxon Mobil.

I would also like to include our media partners European Voice and Frankfurter Allgemeine Zeitung for their strong support in promoting the event.

We are also very thankful to the European Commission, in particular DG Trade, for their help and hospitality to let us organise this conference in their premises.

I would also like to thank the International Relations department of BUSINESSEUROPE for the flawless organisation and hard work they have put into this event.

Last but not least, I thank you, Ladies and Gentlemen, very much for your active participation in the different panels which made today's conference a big success.
