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18 February 2009

MEDITERRANEAN INVESTMENT FORUM 20-21 FEBRUARY 2009 BEIRUT (LEBANON)

OFFICIAL OPENING

ADDRESS BY ERNEST-ANTOINE SEILLIÈRE PRESIDENT OF BUSINESSEUROPE

Dear Ladies and Gentleman,

As we gather at this very important conference on Euro-Mediterranean Partnership we face the reality of a world in crisis. Our economies and societies – in Europe, in the Middle East and in the Mediterranean region – must tackle grave problems and challenges. Despite the extremely difficult situation, I believe it is crucial that we, as business representatives, remain positive, constructive and determined in order to lay down today the foundations for tomorrow's growth.

The European Union has played a significant stabilising role in this unprecedented crisis. The Single Market and the euro remain powerful engines to find the way back to growth and employment in Europe. However, to realise this potential, it is critical to adopt the right policy decisions and not to lose valuable time. BUSINESSEUROPE advocates a four-pillar strategy:

- 1. Companies' access to finance must be improved**
In the short run, restoring the access to finance for companies is absolutely critical. Unless financial markets and commercial banks return to normal functions, the effectiveness of recovery plans will be severely limited.
- 2. Member states must support growth and jobs with stimulus measures**
We are clearly in favour of bold and well designed economic stimulus packages, although we feel some of them are not sufficiently targeted.
- 3. The implementation of structural reforms must be accelerated**
This is needed to shore up companies, help labour markets and improve public finances.



4. We must resist all forms of protectionism

Free trade remains one of the core vehicles to provide growth and increase prosperity. Its effectiveness has been proven continuously and a world wide call against a rise in protectionism is proof that this principle is coveted and needed.

As the President of BUSINESSEUROPE, the Confederation of European Business, which represents 40 national federations from 34 European countries, it is my firm conviction that the Mediterranean partner countries to the EU are part of these wants and needs. We **want** political leaders to give business clearer opportunities and we **need** political leader to give us access to untapped markets to allow for more trade and investment between and among the EU and Mediterranean partner countries.

BUSINESSEUROPE has been a strong supporter of the Euro-Mediterranean Partnership since its inception in 1995 in the Barcelona Process and we strongly believe in the objective of a regional free-trade area by 2010 (although we will have to be flexible with the date). We have for years been actively promoting the establishment of an area of shared economic prosperity and stability between the two shores of the Mediterranean. Together with the European Free Trade Area (EFTA) this zone will include some 40 States and 600-800 million consumers – one of the world's largest and most influential trade entities.

Entrepreneurs always try to get concrete results; they look for niches, grabbing opportunities wherever they may present themselves. BUSINESSEUROPE is happy to see that, since 2002, we have had a counterpart in the Southern Mediterranean Countries in the form of the Union of Mediterranean Confederation of Enterprises (BUSINESSMED-UMCE), an organisation that gathers the business organisations of the South Mediterranean countries with the objective of strengthening the voice of the private sector. I think this conference shows the dedication and maturity of that organisation and I thank President Jean Jacques Sarraf for inviting me to speak here. I am also happy to see many representatives from the Gulf countries and also, I believe, representatives of central African countries. This bodes well for the regional future as we must never focus on solely one partnership. By integrating more closely with neighbours on all sides the region will flourish.

Economic integration with our Mediterranean neighbours is of paramount importance. BUSINESSEUROPE considers the Mediterranean countries a natural trade partner and we seek ways to continue to stimulate this process. Euro-Mediterranean trade relations are strong and growing. The total trade from the Southern Mediterranean countries with the EU was €127 billion in 2007 – some 5% of total EU external trade. The last years have seen a great rise in trade between our two regions. The Southern Mediterranean countries' exports to the EU have grown by an average 10% a year since 2000 and imports from the EU have increased by 4% a year since 2000. This is a positive sign for the future and we believe that, despite the crisis, these figures will remain strong. There have also been great increases in Foreign Direct Investment. In 2005 Egypt, for example, has received €3.3 billion and the region as a whole €40 billion (including Turkey).



Peace and Stability

BUSINESSEUROPE is well aware that there are many barriers and sensitive problems that cause friction among member states, but BUSINESSEUROPE is of the firm opinion that business must never bow to pressures that seek to close markets and fragment societies.

BUSINESSEUROPE welcomes and encourages more Euro-Mediterranean cooperation to continue to move forward to establish these necessary conditions for business development between our two regions. The European Union and the Mediterranean countries, have much to gain from cooperation. The political problems that plague the Union for the Mediterranean must not block or hamper the Barcelona Process, but continue it and accelerate it. This will not be easy, but it is the only way forward in the long run.

Our businesses must not only call for a continued, sustained and rules-based system of international trade, we must also fight protectionism at home, for it is all too easy to call out the opponent but raise barriers at home. Our aim must be to remain outward looking, to trust in a rules-based international economic system in which the WTO must remain the arbiter of disputes.

As BUSINESSEUROPE states clearly in its position on this issue we need to integrate our markets and to develop robust economies of scale in neighbouring Mediterranean countries. This requires a very serious effort by the Southern Mediterranean countries to integrate their economies with each other. This will result in more competitiveness among each other as well as with the EU. At last year's Med Business Days in Marseille during the French Presidency and organised by MEDEF, the French employers' organisation, BUSINESSEUROPE's launched its position on the Mediterranean. The strategy we encourage is a "Marseille Agenda" which mirrors the Lisbon Agenda in certain ways through a focus on important pillars such as:

- improving the trade and investment climate,
- improving macro-economic stability;
- encouraging innovation and education in the Mediterranean region,
- and improving financial and regulatory instruments.

With the goal to:

- boost trade between the EU and the Mediterranean partner countries as well as between them by 10 per cent per year for a tripling by 2020,
- triple foreign direct investment by 2020,
- and establish macro-economic stability targets and a safe regulatory environment for investment.

The EU's prosperity is due to our commitment to the principles that lie at the basis of our Union and our strong will to protect them. Peace, freedom, openness; it is in these conditions that business thrives. As business leaders, we must promote these



conditions everywhere and support the Union for the Mediterranean to reach ambitious goals.

I wish to thank you all for coming to this conference and I hope it will prove fruitful. BUSINESSEUROPE is very supportive of these types of initiatives and we wish to alert you in advance of a follow up conference to last year's Marseille Med Days which is scheduled to take place in early July in Athens.

I am very glad to have been invited to this conference. I wish to thank BUSINESSMED, the Al-Iktissad Wal-Aamal Group and finally I thank the esteemed President of Lebanon for giving his support to this conference. I wish you all a productive day.

Thank you.

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