

BUSINESSEUROPE



Presentation STIS Committee

23 February 2010










By Adrian van den Hoven

Outline presentation

- **BUSINESSEUROPE**
- Economic situation and outlook
- Trade policy 2010-2014



BUSINESSEUROPE: 40 members in 34 countries

							
Austria	Belgium	Bulgaria	Croatia	Cyprus	Czech Republic	Denmark	Denmark
							
Estonia	Finland	France	Germany	Germany	Greece	Hungary	Iceland
							
Iceland	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Montenegro
							
Norway	Poland	Portugal	Portugal	Rep. San Marino	Romania	Slovakia	Slovenia
							
Spain	Sweden	Switzerland	Switzerland	The Netherlands	Turkey	Turkey	United Kingdom



BUSINESSEUROPE

- The voice of European business towards the European institutions
- Actively promoting the role of business in Europe



Outline presentation

- BUSINESSSEUROPE
- **Economic situation and outlook**
- Trade policy 2010-2014



EU exports hit by crisis

- Extra-EU trade 2000 – 2008 +56.7%
 2009 -17%
- World trade volume 12% below April '08 peak
- How long to return to April '08 trade levels?



EU exports hit by crisis

Major export markets hit in '08-'09

- China +10%
- Rest of Asia -10%
- US -15%
- Rest of World -18%



EU exports hit by crisis

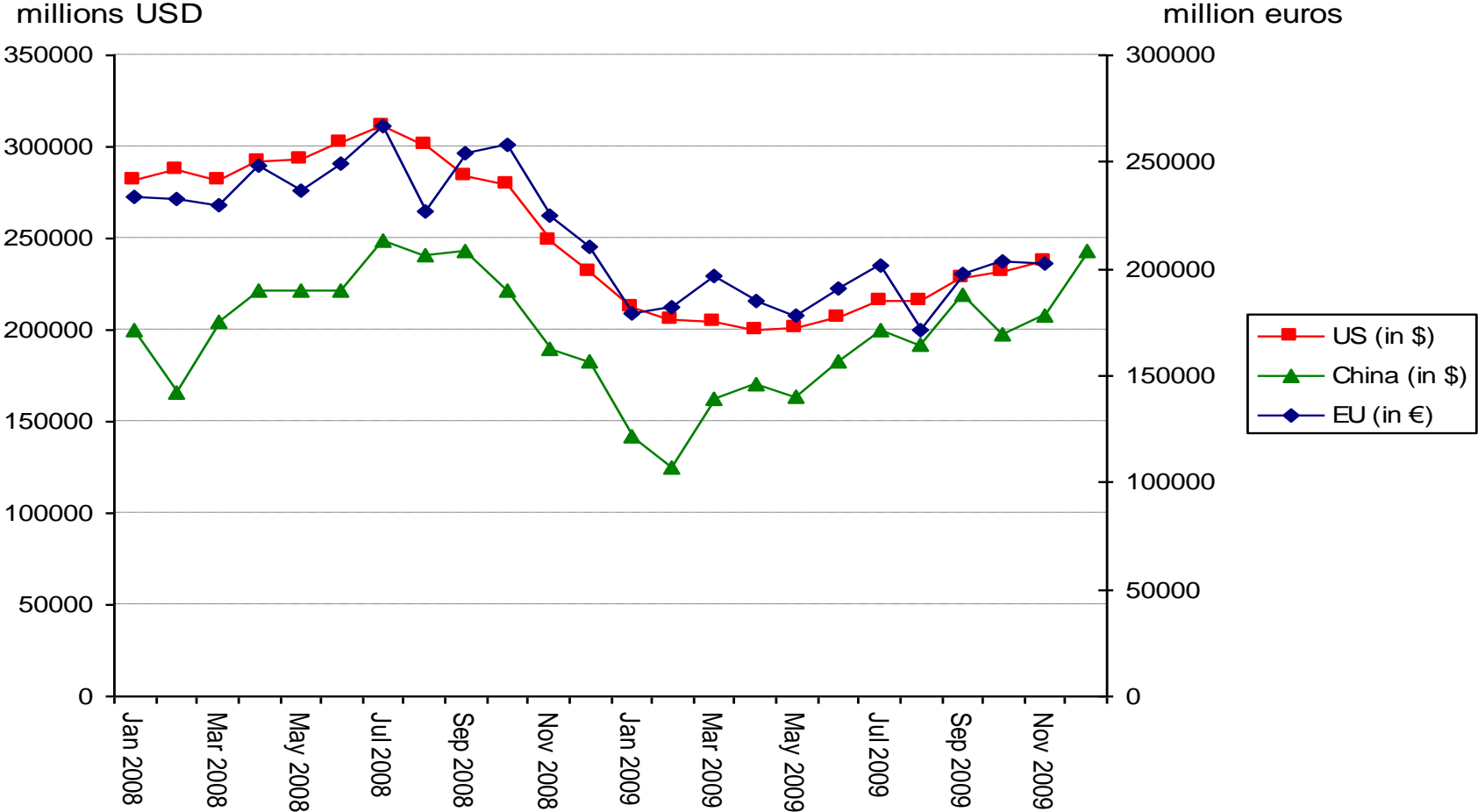
Asia's rapid recovery (Nov. '09)

- China +24,5%
- Rest of Asia -2%
- Rest of World -3,5%
- US -7%



Pre-crisis trade levels not in sight

Trade values evolution Jan 2008 - Dec 2009



Economic outlook

- Forecast EU real GDP 1,2% in 2010
- Growth driven by exports and government stimulus
- World trade +4,3% (2010) and +6,2% (2011)



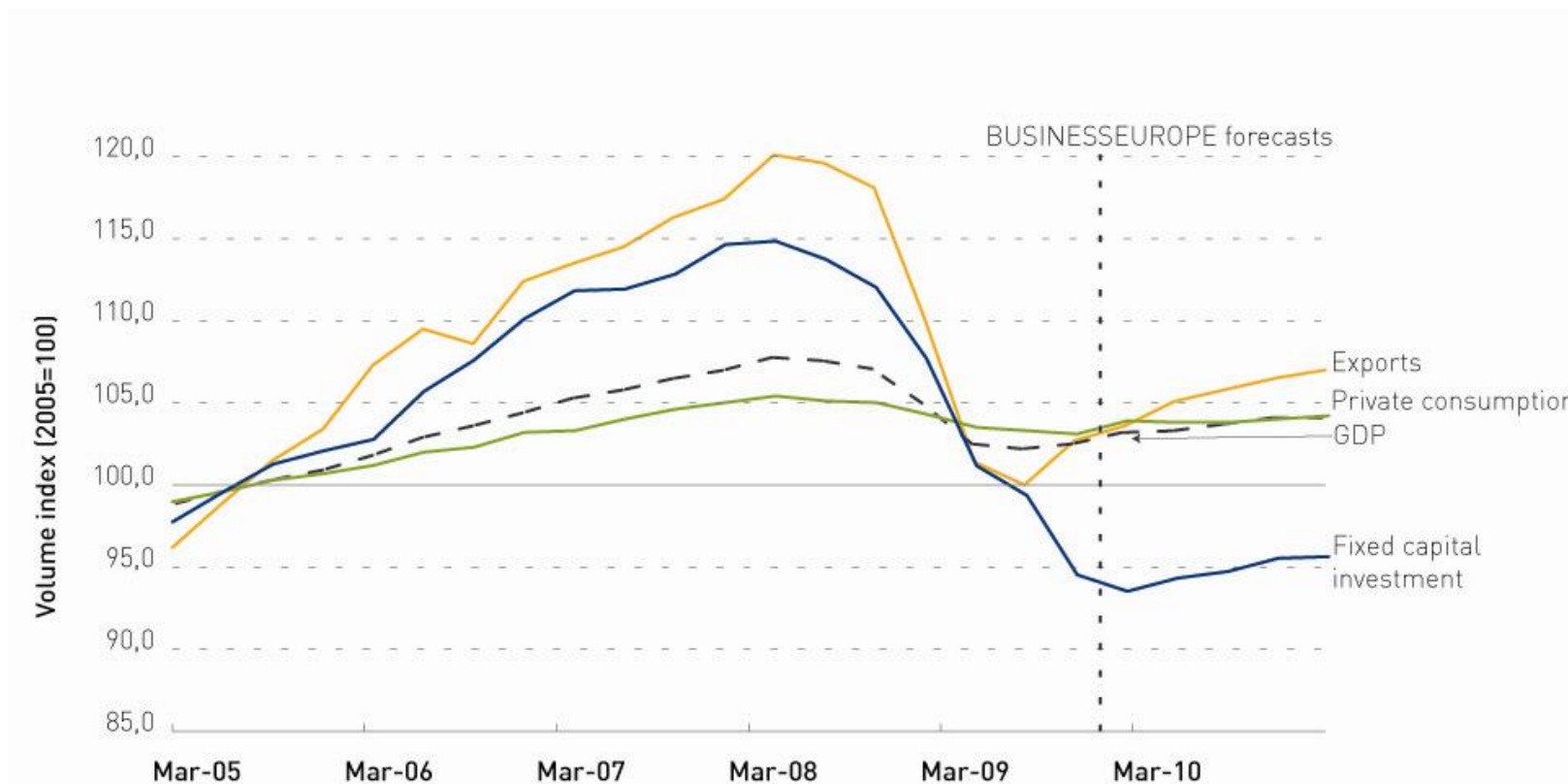
EU growth back, unemployment and debt rising

	EU 27	
	2009	2010
Real GDP (annual % growth)	-4.0	1.2
Inflation (%)	0.8	1.5
Unemployment (%)	8.9	10.2
Employment (%)	-1.7	-1.3
Gross government debt. (% of GDP)	73.4	79.7

Source: BUSINESSEUROPE (February 2010 Economic Outlook)



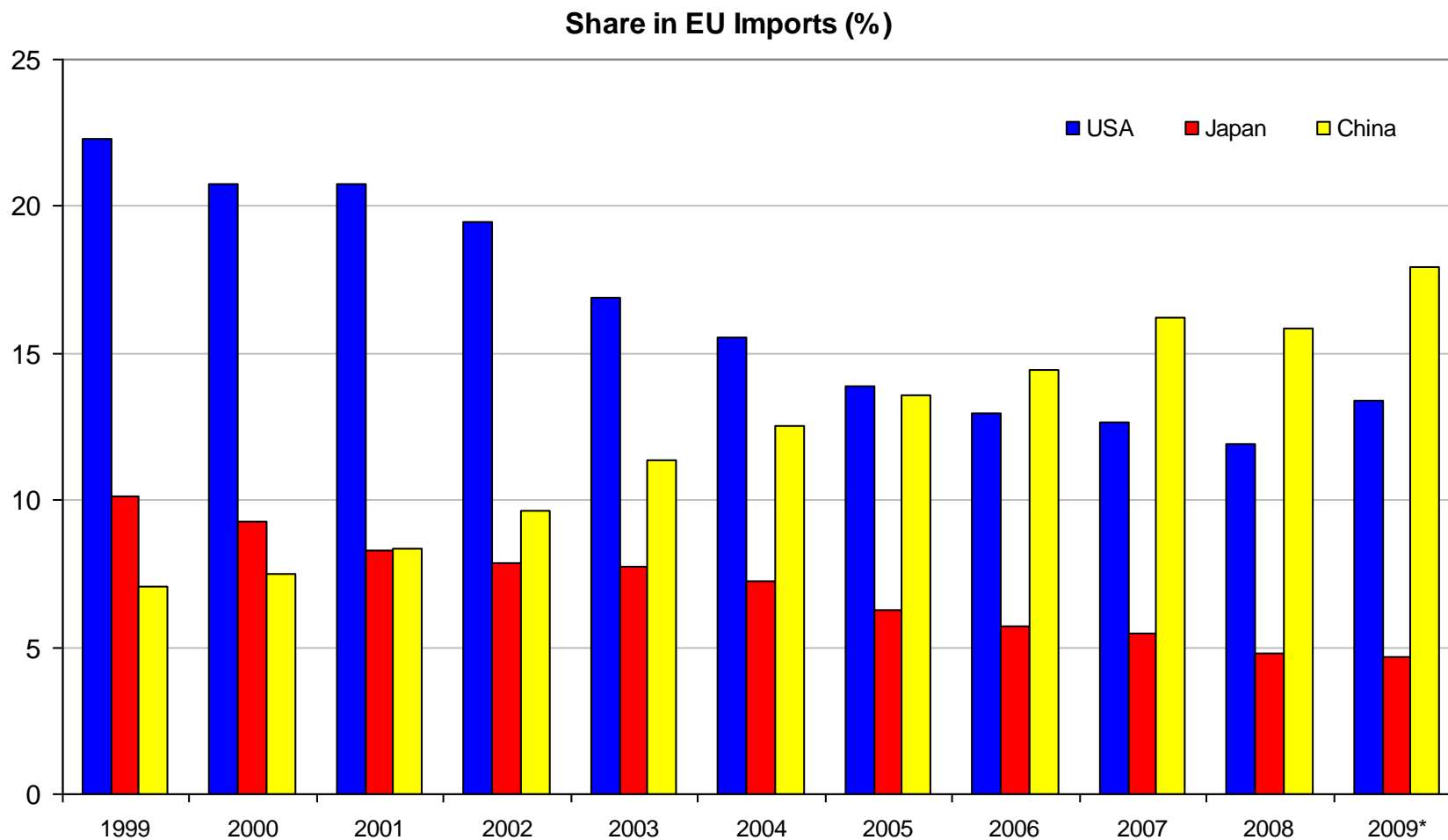
Exports key driver for Europe's recovery



Source: BUSINESSSEUROPE (February 2010 Economic Outlook, Eurostat)



China's competitiveness is rising



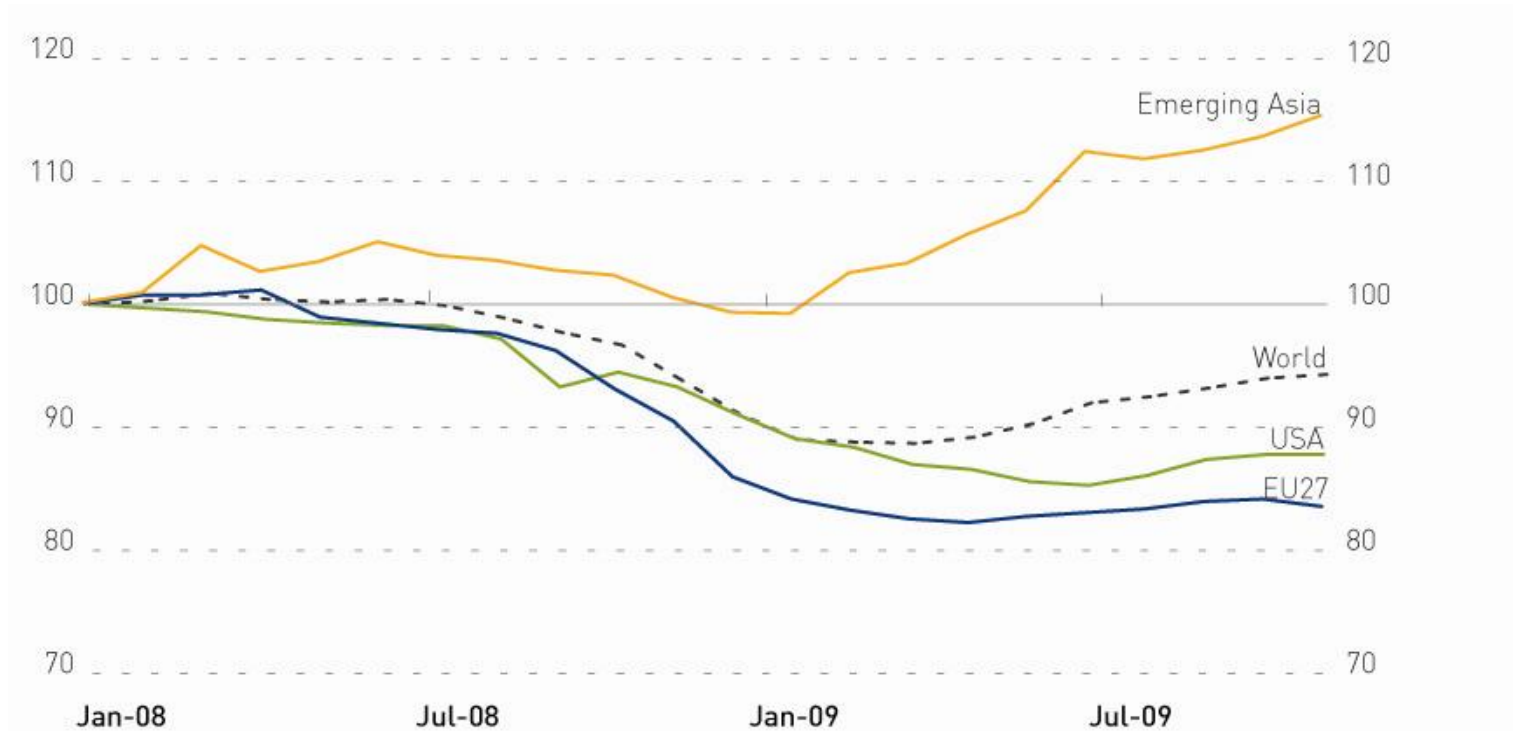
Source: Eurostat (Comext, Statistical regime 4)

* January-November 2009



Europe is losing ground in recovery

Industrial production



Source: BUSINESSEUROPE, Centraal Plan Bureau



Europe's exports lag behind in global upturn

MANUFACTURING SECTORS (Y-O-Y)	Average growth 2008	1 st Semester 2009	Oct 09	Nov 09
EU manufacturing	5,2%	-19,9%	-16,7%	-2,2%
Machinery & equipment n.e.c.	8,0%	-18,3%	-23,7%	-13,2%
Basic metals	7,7%	-29,6%	-21,0%	-8,8%
Textiles	-2,1%	-20,6%	-20,2%	-2,0%
Motor vehicles	3,4%	-43,5%	-23,1%	8,6%
Chemicals & chemical products	3,0%	-4,1%	-4,4%	10,8%



Outline presentation

- BUSINESSSEUROPE
- Economic Outlook
- **Trade policy 2010-2014**



Trade Policy 2010-2014

- Extra-EU trade 15% EU GDP
- Millions of jobs dependent on trade and investment
- Exports can reduce unemployment
- Trade policy must have economic focus
- Global Europe remains valid, but can be improved.



Outlook for EU exports

- EU losing market share on fast-growing emerging markets
 - Russia (-9%)
 - India (-11%)
- Up-market products = half of EU exports
 - intermediary goods
 - luxury consumer goods
 - machinery and transport equipment



Focus for EU trade policy

- Enable exports in which expert knowledge and skilled production are key
- Improve market share in rapidly emerging markets



Focus for EU trade policy

- Is trade policy following growth?
- Output (%)

	2010	2011
– South Korea	3.6	5.2
– Canada	2.6	3.6
– India	7.7	7.8
– Russia	3.6	3.4
– US	2.7	2.4
– China	10.0	9.7



Improving Global Europe

1. New market access should be delivered through WTO Doha and bilateral FTAs
2. Pursue strategic approach key trading partners
3. Embed raw materials, procurement, regulatory barriers and green technologies in EU trade policy
4. Develop synergies with customs, development and foreign policy



THANK YOU

