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**EUROPEAN FORUM FOR NEW IDEAS
28-30 SEPTEMBER 2011
SOPOT, POLAND**

**EASTERN PARTNERSHIP BUSINESS FORUM
30 SEPTEMBER**

**EASTERN PARTNERSHIP BUSINESS DIMENSION:
ECONOMIC COOPERATION AS THE KEY DRIVER FOR EUROPEAN INTEGRATION**

**ADDRESS BY PHILIPPE DE BUCK
DIRECTOR GENERAL, BUSINESSEUROPE**

Dear President, dear ladies and gentlemen,

First of all, I would like to thank Lewiatan for organizing the European Forum for New Ideas, here in Sopot. BUSINESSEUROPE is delighted to participate in the constructive debate that has been taking place between Business representatives from both the EU and the Eastern Partnership (EaP) countries.

Together, business and governments can help strengthen the process of economic integration. EU and EaP countries should **pass a clear message**: that an ambitious partnership is the foundation for future economic and social prosperity and can operate as a shield against the challenges that the recent economic crisis has brought forward.

To get out of the current economic crisis, it is essential that structural reforms take place, to create more open and competitive markets as well as better regulation of the public and private sectors. In addition, cross-border agreements will create new trade and investment opportunities for business, which would further stimulate the process of regional economic integration and generate much needed employment.

Given the important role that SMEs play in the economy of EaP countries, an "SME Flagship Initiative" would offer indispensable services to SMEs, such as the creation of networks of communication and cooperation as well as advisory services, to which currently they lack access. Moreover, regarding access to financial instruments of the EU, our view is that it should not only concern recipients from the EaP countries, but also EU investors interested in finding partners in these countries.

The conclusion of Association Agreements (including FTAs) between the EU and EaP countries is a necessary step towards trade liberalization and economic integration in the region. Deep and Comprehensive Free Trade Agreements will facilitate regulatory



reforms and improve conditions for investment, improve the business climate and ensure legal certainty.

At the current moment, the EU is close to the conclusion of two such Agreements; namely with Moldova and Ukraine. Indeed, the negotiations with the latter will possibly be successfully concluded by the end of this year. This agreement with Ukraine is expected to be a model for association agreements with other EaP states. BUSINESSEUROPE is especially committed to a strong chapter on energy issues to phase out dual pricing (energy subsidies) and to open the sector to more foreign direct investment and to transparent transit rules.

For our future energy security, close cooperation between the EU and EaP countries is required in order to reduce bottlenecks and create commercial opportunities that would benefit both business communities. For this purpose, it is essential that the provisions of the **Energy Charter Treaty** and the **Energy Community** are reinforced, including the liberalization of the energy market, phasing out dual-pricing, and the building of infrastructure.

These trade agreements will have a positive impact on relations between these countries and the EU. In general, FTAs should contribute to the modernization of these countries and the adoption of EU standards. Ultimately, the EaP countries will join the Single Market for most trade in goods.

It is therefore fundamental that convergence with EU policies is gradually achieved in EaP countries. Recognising that this may present certain challenges for the EaP countries, we would like to underscore the role of the EU in providing training and technical assistance to the region.

Furthermore, the additional funds provided by the European Union for the European Neighbourhood Policy would allow better access to stakeholders. We believe that the involvement of business organisations will strengthen local and regional economies, reinforcing EaP countries as key strategic partners to the EU.

Public-Private Partnerships could for this reason be an effective mechanism for building the necessary infrastructure and the means to effectively engage the business communities to the aim of convergence and economic integration.

BUSINESSEUROPE will apply for a specific project to partner with EaP business organisations. Our aim is to bring these business organizations into the EU system so that they can facilitate the process of integration. We hope this project will be accepted by the Commission.

Together EU and EaP business organizations can play a vital role in establishing a Single Market across our economies – generating growth and jobs and a better future for the next generation.

Thank you for your attention.

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