



Annual Meeting 2012 - Open Session on
Growth Strategy & Re-industrialisation of Advanced Economies

**Growth Strategies and Re-
industrialisation of Advanced
Economies**

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Growth Strategies and Re-industrialisation of Advanced Economies

Challenges for EU and Japan:

- Low growth
- De – industrialisation / delocalisation of manufacturing and related businesses
- Shrinking populations
- Emerging countries catching up



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Reasons:

- New business opportunities in fast growing markets
- FDI's:
 - Closeness to consumer markets
 - Closeness to business clients
- Cost factor



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Possible solutions – unsuccessful approaches:

- Closing of domestic markets / protectionism / “buy national”:
 - Dangerous negative spiral
 - Higher costs for companies and consumers
 - Specific incentives to relocate individual companies
- Only short-term easing but not sustainable



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Possible solutions – right approaches:

EU and Japan cannot compete on labour costs – but they can create competitive conditions that favour business activities in their home markets:

- Supportive governmental policies, enhancing growth and employment: low administrative and fiscal burdens; promotion of education and training; R&D; industrial policies; high-quality infrastructures
- Innovative products and services : focus on sophisticated, high value-added activities
- Cooperation with like-minded partners on standards, regulatory measures