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EU-BRAZIL BUSINESS SUMMIT: OPENING SESSION

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Date: Monday 24th February 2014, 13h30 – 18h00

Speaking time: around 5-7 minutes

Location: Sofitel Europe, Place Jourdan, Brussels

Dear Fellow Business Leaders from the European Union and Brazil,
Ladies and Gentlemen

- I am very happy that finally we are meeting today! It has been a challenging exercise, but what counts is that we are all together here for an important exchange of views between European and Brazilian business representatives. Thanks to our partners and friends from CNI, Eurochambres and, in particular ApexBrazil as our main partner, for their hard work to make this happen.
- Let me start by saying a few words about BUSINESSEUROPE, as maybe not everybody, especially our friends coming over from Brazil, has full knowledge of our association. BUSINESSEUROPE represents small, medium and large companies in Europe from 35 European countries through our 41 national members. Among our member federations are for example the leading horizontal business federations in Germany – BDI and BDA, Italy – Confindustria, or Portugal – AIP and CIP.
- You might know that around 70% of EU legislation has an impact on our companies. And BUSINESSEUROPE is the business lobby in Brussels to ensure that the voice of business is heard clearly and loudly!
- But we are not a Brussels-centric organisation – our interests and activities go far beyond. Improving the trade and investment relationships with third countries is a priority in our work and we advocate this towards political decision-makers here in Brussels and abroad. And Brazil is a key partner in this respect!



- The two partners have already a close and stable trade relationship: for Brazil the EU is its first trading partner, and for the EU Brazil ranks on the eighth place of its trading partners. In addition Brazil is Europe's most important trade partner in Southern and Latin America.
- Traditionally, primary and agricultural products coming from Brazil have dominated our bilateral trade relationship. But not only, more and more manufactured products are becoming important. Today they account for around one fourth of Brazilian exports to the EU. The bulk of EU exports are manufactured products: machinery, transport equipment and chemicals.
- And not only the export and import figures illustrate the strong interest each side has in the economy of the other. Both sides are also very active foreign investors, with European and Brazilian brands becoming increasingly familiar to citizens on both sides of the Atlantic. Let me substantiate this with some statistics: not only is the EU the biggest foreign investor in Brazil, but during the last five years the EU also accounted for about half of all foreign direct investment flows received by Brazil.
- But we want to further develop this relationship. Brazil is a key trade and investment partner, and our economic relationship is a complementary one. The EU runs a surplus in services trade and Brazil has a surplus in goods trade. And both sides have the ambition and the knowledge to make more of this potential!
- The most promising approach to advance the relationship would be the conclusion of the free trade negotiations between the wider Mercosur region and the EU. We have been pushing this for a very long time, but without success. Negotiations have resumed but in practice we are lacking concrete steps that show a willingness to reach an agreement.
- What we need today is a clear signal from the political leaders that they are really willing to move ahead with the negotiations. The so-called exchange of offers, where both sides hand over what they are willing to do in terms of trade liberalisation, should have taken place already a long time ago. Hopefully after this Summit this offer exchange can materialize. I am sure this step would be welcomed by business communities both in the EU as well as in Brazil.
- However if no progress can be achieved on the EU-Mercosur negotiations, we think that the EU and Brazil should seriously consider alternative ways to remove barriers and enhance trade and investment between the EU and Brazil.



- Free trade negotiations are a very promising tool, but this should not be our only focus. There are a number of bilateral activities we should pursue in order to enhance and improve our bilateral cooperation. I would like to enumerate a few of them.
- Removal of non-tariff barriers: it should be our continuous effort to remove such barriers that hinder our bilateral trade flows. This can be done via bilateral dialogues across sectors, more public-private partnerships or mutual recognition agreements in areas where both sides agree. Even if some of these initiatives are already taking place we need to make them more effective and concrete.
- Improvement of investment climate: this can be achieved through a simplification of administrative norms, the strengthening of regulatory dialogues and industrial cooperation.
- We should further improve the business environment for small and medium-sized enterprises, giving them the opportunities to internationalize and fully exploit the potential of doing business across the Atlantic. Customs, for instance, is an area where we need to work further towards simplification and reduction of administrative burden.
- Brazil and the European Union could also increase their joint efforts in the areas of technology and innovation. For example, this could be achieved through concrete joint R&D projects or the development of partnerships that contribute to investment in innovation or sustainable technologies. Promising areas in that areas could be, amongst others, bio-economy, oil & gas, aircraft, logistics or infrastructure.
- Ladies and Gentlemen, the EU and Brazil are having lots of opportunities to further expand our bilateral relationship. The potential is there, and with strong political willingness we will be able to reap its benefits.
- I thank you for your attention and look forward to the discussions we will have during this afternoon.
