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EU-BRAZIL BUSINESS SUMMIT 6 OCTOBER, GRAND HOTEL, STOCKHOLM

JÜRGEN R. THUMANN, PRESIDENT OF BUSINESSEUROPE

Ladies and Gentlemen.

On behalf of all of BusinessEurope's members, I thank very much
- the Confederation of Swedish Enterprise
- and in particular you, Signhild Anegård-Hansen!

Thank you for so graciously hosting us in these fabulous surroundings.

Also thank you, Armando Monteiro Neto of the CNI!
You brought an excellent delegation all the way from the southern hemisphere to this very northern part of the world!

Ladies and gentlemen, welcome to Europe!

Not only is your country an important export market and investment destination for European companies,
we also see Brazil as a vital example of how to marry economic development, social progress and stability all together.

We are very happy to have you as our guests!

In my rather fresh role as BusinessEurope's president I am particularly pleased to be in Sweden.

Sweden plays an important role in the European economy, Swedish companies play an impressive role at a global level. It is good to see that many of them are represented at the highest levels here today!

The Swedish Presidency of the EU comes at a time of political changes - and a time in which we seek to chart the bumpy road to economic recovery.



Europe's is an economy that thrives on foreign trade and investment - in both directions!

The international dimension is vital for BusinessEurope, each of our member companies, and for EU companies at large. Indeed, the story of the European Union itself is one of tearing down barriers to international commerce and bringing companies from different countries together in an integrated market.

It is this mission that we continue through events such as this. Deepening ties with a fast growing country like yours, Brazil, is at the centre of our strategy.

It gladdens me to hear that the relationship with Europe is also a priority for Brazilian business.

We already have a strong relationship. In 2008 - one of the worst years for international trade - our flows grew by 15%! Investments also remained strong, with flows from the EU to Brazil of €17 billion in 2007.

But there is always room for improvement! We have an important agenda for cooperation, because we want to strengthen both our bilateral relationship, and our relationship with the rest of the world.

I would like to make a few points in this light:

The first one is about the financial system.

2008 has been a tough year for all of us, as businessmen and -women and for the citizens of our countries. Now, we need strong alliances and a strong business community. And only access to finance will enable companies to invest and create jobs. This is why access to finance for companies must be at the core of European and Brazilian efforts at G-20.

And yes, at the same time we must reduce risk in the financial system. Yes, new, proportional regulation is necessary.

Yes, we must vastly improve international coordination.

And yes, remuneration policy must be transparent - and aligned with long term objectives.

But as important as these reforms may be: They must not dry out credit streams!

Brazil and the EU must also cooperate to ensure that

- the government intervention in the economy does not create competitive distortions
- and that exit strategies are coordinated.

My second point is: Energy and climate.



The EU has embarked on the most ambitious climate policy program in the world: By 2020 we want to reduce 20% of greenhouse gases and generate 20% of energy by renewable sources.

This does not come for free. The direct cost of mitigating emissions is estimated at 91 billion Euros per year in 2020! Electricity supply costs for companies will substantially increase. Thereby European industry and energy sectors account for only 6.5% of global emissions!

Brazil at his part plays an impressive leadership role in renewable energies.

There is certainly much we can learn from each other here!

It is crucial that an international climate agreement is forged in Copenhagen this December. It must ensure that all major economies – Brazil without doubt is one of them – make equivalent efforts to that of the EU. We need our Brazilian partners to commit themselves to setting their own reduction targets.

And we, as businessmen and –women, should be aware, that our companies do not only have responsibilities in this area: we also have many opportunities! We have much to gain from the transition to a low carbon economy.

So the key principles of a Copenhagen agreement should be:

- A level playing field.
- Common but differentiated responsibilities.
- And technology transfer that promotes innovation.

My third concern: Trade negotiations.

The international trading system needs a boost.

We have seen the catastrophic drop in trade. We have seen the disturbing images of empty shipping vessels languishing in our harbors. We need to get to a Doha deal in 2010. A deal that will provide real new market access for all economies globally.

Today we have the chance to put our minds together to see how we can achieve that.

We also have to work hard on our region-to-region negotiations for a free trade agreement between the European Union and Mercosur. I expect that now is the right time to make progress.

Then

- we all have heightened awareness of the importance of trade for growth.
- the EU is coming close to finalizing trade deals with Columbia, Peru and Central America.
- and the fact that Spain will hold the Presidency of the EU in the first half of 2010, will also raise the profile.



So let's take this chance now. Let us mix ambition with compromises. And harvest the outcome.

My fourth point of interest: US. Our bilateral relationship.

I am delighted that these annual summits have been reinforcing the ties between our economies for the last three years. And we can deepen this relationship! The proposal for a joint tax council is encouraging, and I hope that we can support it together today.

So, ladies and gentlemen, to put it briefly:

Brazil and EU,

- we have work to do!

I look forward to our discussions today!

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