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EUROPEAN BUSINESS SUMMIT SOLEMN OPENING SESSION 15 MARCH 2007 / 9H00 – 10H00

SPEECH BY ERNEST-ANTOINE SEILLIÈRE, **BUSINESSEUROPE**
PRESIDENT

- Ladies and Gentlemen, I am very happy to have the opportunity to speak to you on this occasion in my capacity as President of **BUSINESSEUROPE**, coorganiser of the 5th edition of the European Business Summit.
- One week after the European Council and one week ahead of the Berlin declaration business in Europe asks :
 - How we can use the **current economic upswing** in order to make further progress on the European reform agenda?
 - How can we solve the **institutional crisis** we are currently in?
- **BUSINESSEUROPE** has always supported the European project because of the benefits Europe brings to society as a whole. But this project was designed for a group of six countries.

Yet today, the European Union consists of 27 member states. So there is an urgent need to adapt this system to today's globalised world. **BUSINESSEUROPE**, the Confederation of European Business, representing 20 millions companies all over Europe would like to make it clear that it is an imperative most.

- Ladies and Gentlemen, companies' contribution is strong! Europe is currently in a **good economic upturn**: 3% growth in 2006, an outlook for 2007 that remains positive and unemployment currently at its lowest level since 1990. Strong job creation is the most encouraging sign in this upturn. The EU economy will create over 8.6 millions new jobs over the period 2006-2008. This is a considerable improvement, on which – as Chancellor Merkel said recently – “we need to build further”.



- But, despite the progress made in economic reforms, Europe's economy is still not competitive enough to face globalisation and population ageing. It is necessary for Europe to focus its actions on restoring its competitiveness vis-à-vis other regions of the world which are undergoing tremendous developments.
- Let me highlight some areas where the expectations of business are still to be met :
 - **Public finance:** public debt levels remain unsustainable considering the dramatic ageing of Europe's population. The current improvements in the public balance are much more due to increased tax revenues than to a restructuring of public finances.
 - **Better regulation:** good initiatives have been started throughout Europe to ease the administrative burdens for companies, and business strongly supports these initiatives. But our assessment shows that so far very few real alleviations have been achieved for companies on the ground.
 - **Labour market flexibility:** although reforms to integrate more people in the labour market have been successful – after all 3 million jobs were created in 2006 – these successes have been mostly achieved at the margins of the labour market, for example by reintegrating long-term unemployed people or by retaining older people in work. Reforms so far have left regular work contracts relatively unaffected.
 - **Education:** companies are worried about the persistent mismatch between workforce skills and labour market requirements.
- **We call for a boost to Europe:** Europe must seize the opportunity of the current business cycle upturn to complete reforms for growth and jobs and must not stop short, thereby repeating the mistakes of past recoveries.
- The last point brings me to the second big area : **reform of the European institutions or how to complete the reform of the EU governance.** It is not up to business leaders to find the



political solutions to the EU institutional crisis, but it is our duty to call for these solutions urgently.

- Effective working methods are key for Europe's future success! Therefore, BUSINESSEUROPE advocates that qualified majority voting should become the general rule, with only a very few exceptions.
- The European Commission needs to remain the central body of the European institutions. In order to improve its functioning, its size needs to be reduced and each Commissioner must defend common interests and withdraw from any national individualism.
- Similarly, we believe that the current system whereby presidencies rotate every six months does not foster the Union's long-term work.
- Lastly, the European Union will have to communicate better to its citizens what integration and enlargement has produced. The European Union must define its new role, which is now less technical and more political. We call on member states as BUSINESSEUROPE to put in place a better dialogue between citizens and governments on EU objectives and projects.
- The European business community is strongly in favour of more Europe to face the challenges of globalisation. We are asking governments to overcome the crisis and restore the vision that has framed the development of business in Europe since 50 years. So get started and hurry up !
- Thank you for your attention.
