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TRANSATLANTIC BUSINESS SEMINAR ON TEC

BUSINESSEUROPE, 9 DECEMBER 2010

WELCOME REMARKS BY JÜRGEN R. THUMANN, PRESIDENT OF BUSINESSEUROPE AND TABD CO-CHAIR

Commissioner de Gucht,
Mr. White,
Ladies and Gentlemen,

We, the leading transatlantic business associations, are here today to add momentum towards a successful meeting of the **Transatlantic Economic Council** next week in Washington.

The TEC, which you Commissioner De Gucht co-chair, is truly of **strategic interest to business** and to the European-American relationship.

I fully recognize that it can be challenging to align two very different political systems. But I also see that the world is changing dramatically.

While the transatlantic economy remains the largest, it is no longer the most dynamic in the world.

New players – China, India, Brazil, Russia, among others are benefitting from strong economic growth. They rightfully **demand a seat at the table** of important economic rule-making institutions like the G20, the WTO, the IMF or the World Bank.

So far, in these emerging economies the **state plays a bigger role** in steering the economy. That is fair enough as they want to promote development and reduce poverty – aims which we fully support.

But at the same time, there are **risks of economic nationalism and protectionism** associated with such policies. Those would be at the expense of our companies and their own for sure in the long-run.

The EU and the US have an interest in working together, to help these countries integrate the **global rules based system** as regards

- freedom of trade and investment
- and protection of investment and technology rights.



I appreciate very much that the latest **EU-US Summit** in Lisbon devoted so much time to economic issues to address the challenges of a new global economy.

Now transatlantic business counts on you Commissioner De Gucht and your US counterpart Michael Froman to elaborate on this within the TEC process:

- **First**, by fostering transatlantic cooperation to develop and enforce fair rules for global commerce.
- **And second**, by advancing transatlantic economic integration as a stepping stone toward global economic integration.

As regards to my first point we **have** seen improvement in transatlantic cooperation in developing and enforcing fair rules for global commerce since the launch of the TEC.

WTO trade disputes of a strategic nature are often coordinated between the EU and the US. Cooperation on future financial regulation is improving including in the G20 context. And we are both cooperating fruitfully in dealing with the financial crisis.

Of course there is always **room for improvement**.

To finally get the **Doha Round** moving, we will require closer EU-US cooperation to discuss market access or raw material issues with major emerging economies.

While the Anti-counterfeiting Agreement is a good start I would also argue that we need to intensify EU-US cooperation in dealing with major **technology transfer issues**.

Transatlantic cooperation in the G20 will also require greater efforts to get **China** to introduce more **flexibility** in its **exchange rate regime**. We need economic rebalancing to promote global sustainable economic growth.

Transatlantic economic integration is also a tool to foster global rules based commerce. This ladies and gentlemen is the **second point** I would like to make here today.

I am convinced that **EU-US cooperation on the recognition of standards** and testing procedures will enhance global cooperation. Especially in high potential areas like e-mobility and smart grids. While this work is highly technical, the results are very concrete for business. We therefore strongly support the work done in this field by the TEC and the High Level Regulatory Forum.

The new **TEC initiative to support innovation** is another key step for integration. By stimulating cooperation between research agencies and centers as well as business and government R&D programs we can spur innovation to tackle challenges for the future and put our economies back on the path to growth and job creation.



Also, the TEC can and should play a greater role in **coordinating the implementation of new financial rules** like BASEL III. While local adaptation may be required, we need to ensure that we really are doing all we can to minimize divergence on regulation of hedge funds, OTCs, credit rating agencies and derivatives, just to give some examples.

Last, the TEC must also deal with **grave security problems**. Business and governments need to work together to protect our citizens and our businesses from attack. Here I believe we must focus on a risk-based approach to security. Progress on the mutual recognition of trusted traders programmes is vital to help close information loopholes and therefore facilitate targeted approaches to tackling risks.

Commissioner, with this I give the floor to you
to enlighten us on what you expect from the TEC.

And to call on us for any assistance that you may require to make the meeting next week a success.

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