



**Enterprise and Industry DG**

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***SPEECH***

**Opening of EU-Myanmar Business Forum and Plenary panel  
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## SPEECH

**Minister U Thin Naing Thein, Minister U Soe Thane,  
Ambassadors,  
Members of the European Parliament,  
Representatives of the European and Myanmar business communities,  
Distinguished guests, ladies and gentlemen,**

Welcome to the 1<sup>st</sup> EU-MYANMAR Business Forum in the framework of the EU-Myanmar Task Force.

Thank you for coming to this EU-Myanmar Business Forum and thank you, Ministers, for joining me at the opening of this important meeting.

I feel privileged to be here, at a turning-point in Euro-Myanmar relations after the very welcomed process of reforms initiated two years ago by Myanmar.

I am also delighted to be here, because I'm accompanied by **more than 100 European** companies and business associations, from **sixteen countries** of the European Union! These numbers are a real expression of the EU increasing interest in and commitment to Myanmar's economic and social development.

All together they represent a turnover of 420 billion Euro, and an employment of nearly 2 million people, which is **comparable to the GDP of Finland, Ireland and Croatia together** which is €402 billion (in 2012). . The participating Associations represent more than 30 million EU companies with a combined turnover of more than €55 billion and **employing more than 120 million people**.

My thanks to all of you for coming today! I note that we also have Myanmar industry here in strength.

I would like to say to them: if you want to do business with Europe, if you want investment from Europe, if you want to trade with Europe, **this is your chance to exchange contacts and information** and build a new future.

Governments can do a lot to help business, including by bringing businesses to a conference, such as today's. But they cannot bring investment and jobs to Myanmar themselves. That can only happen if there is agreement between a European and a Myanmar company. We are here today to give the floor to business.

But let me highlight **two political messages** which could be relevant for later discussion.

- The first is: the key role of government in creating a healthy business and investment climate;
- The second is: the importance of reinforcing the Europe-Myanmar cooperation to explore the unique opportunities and surpass the challenges, helping to stimulate growth and jobs in Myanmar and the European Union.

**My first message, then:**

***Governments must work hard to create the right business environment***

Our experience in European Union is that government can make a big difference in stimulating business and investment development.

Let me mention **five key ways in which governments can help.**

**First**, by **public investment**.

This can take the form of investing in schools, universities and research laboratories so that countries develop the **talent, the knowledge, the technologies and the skills of the future**, or by investing in the **infrastructure** – roads, logistics, communication networks, cyberspace - which makes business work more efficiently. The EU is ready to help Myanmar achieve its priorities in this area, as we will hear later on the Development Forum discussions but certainly under the sectoral business panels as well.

**Second**, by **attracting and protecting private investment**

Foreign direct investment will come to your country and will stay if the investors feel there are opportunities, and they feel that their investments are safe and secure. For this we need transparency, fairness, and reliance on stable laws.

**Third**, governments can help by **providing assistance to growing businesses and SMEs**.

Government can encourage and assist entrepreneurs to create more jobs, by creating **business incubators, clusters, or special financial instruments such as loan guarantee funds** which lower the risk barriers between business people and bankers.

They can also help companies to get paid on time, as the European Union did when it introduced the **European late payment directive**, which sets deadlines for everybody to pay their bills on time or face penalties. This is a simple way to give oxygen to an economy.

The government's **assistance to the private sector** in Myanmar will be crucial, as Myanmar's companies will experience a particular period of changes in coming years; they will need to compete at home but also overseas.

**Fourth, governments must be ready to "get out of the way"** in order to let business grow.

By this, I mean that governments need to think more about business when regulating the economy.

For example, they need to reduce the **costs and the time it takes to start up a company, or to get a license or a product approval**.

Even *taxation* should sometimes "get out of the way", at least at the start of a company's life. Companies should pay taxes, but **too much taxation too early can punish initiative and kill jobs and growth**.

**And fifth, governments have to remember that Small and Medium-Sized Enterprises are the backbone of an economy**.

SME's produce more jobs and more innovation than big companies, in the EU, in the United States, and probably in Myanmar too. But they need special care and protection through specific policies that take account of their needs.

When I think of the importance of Small and Medium Sized Enterprises in the European Union, I have noticed one very interesting fact - if all of those Small and Medium Sized Enterprises would create one extra job, we would have no more unemployed in Europe. This is just to illustrate the importance of "think small" when conducting business policies.

This is also why we have encouraged all EU Member States to appoint an **SME Envoy** within the government itself – a Minister or a senior official who can act as "spokesperson" for this sector each time a new piece of legislation is considered by government.

In addition, the SMEs can lead the sector diversification of a national economy, which can be considered the medium and long term key of success for growth and jobs.

**My second message:**

***Myanmar and the EU should develop a privileged partnership***

If we can use today's Forum meeting to consolidate business in Myanmar, or to pursue new opportunities, we will be helping the Myanmar economy and development to get back on track. That will help to make this transition a success, and will strengthen the ties between entrepreneurs and citizens of the European Union and Myanmar.

For the European Union, there is also another interest, one which, as Commission Vice President responsible for Industry and Entrepreneurship, I have been keen to pioneer through the so-called "Missions for Growth", in which I bring groups of European entrepreneurs to other countries.

My goal is to show the competitiveness of European industry across the world and, by doing so, to send a confidence-building message about the European economy.

My message is that **the fundamentals of the European economy are still strong**, as an economy, as a pool of talent and innovation, as the largest market for goods and services in the world, and as a political force which will come out of this economic crisis stronger than before.

Our coming to Myanmar today will help the Myanmar people but it will also help Europe. European industry, including SME's, cannot afford to look inwards.

Europe is small when compared to the enormous potential of markets in countries as China and India. Myanmar and other countries in this region must have similar concerns.

This is why stronger political and economic links with countries such as yours are so important for Europe. It will allow businesses from both sides to expand their markets.

I should mention here the major role to be played by your own economic regional integration in the ASEAN framework, a regional process that the EU strongly supports, precisely given the success of European common construction.

Tomorrow I will sign three agreements with my Myanmar counterparts, as an expression of my will to create closer links: on co-operation in the field of Small and Medium Sized Enterprises, on Raw Materials and Minerals and on Tourism.

Ladies and gentlemen,

Today we are entering in a new phase of EU-Myanmar relations. The EU wants to accompany Myanmar in its ambitious reform process; on taking advantage of the new unique opportunities and on overcoming the challenges.

By coming here today, and in such high numbers, we are showing our interest on your promising future and we are looking forward to working with you!

Thank you very much.