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Tessenderlo Group Leadership Team Summit

Europe in a changing world

Herman Van Rompuy

What challenges does Europe face today? What does the future of the industry look like? And what is the impact of the recent revolutions in Africa and other trends? As first speaker at the Leadership Team Summit and as president of the European Council, Herman Van Rompuy left no question unanswered.

A few months back, we did not have very high hopes for our economy, but today Europe is already experiencing economic growth. But is this growth structural? And does Europe take enough measures to realise structural growth?

Germany is the economic motor but other countries are doing quite well too. However, this does not mean that Germany and the European Union are not vulnerable, says Van Rompuy.

► Investments in R&D, education and flexibility

One of the risks for Europe in the upcoming months and years is its competitiveness, both internally and externally. Europe has a significant disadvantage with regard to several important emerging countries. Europe's population is relatively old. Since people are most creative around their thirties, the new emerging countries have a creative advantage given their younger population.

But, Van Rompuy continues, also the emerging countries are facing problems. The internal demand of China, for example, is just one third of the national income. And also social imbalance and inflation are reasons for concern.

To be competitive, Europe should not focus on its high labour costs. It is certainly an important aspect, but first of all investments are needed in R&D, education and flexibility. More specifically, we need a modern and market-oriented policy, in which we create the right environment for companies.

Industry is and will remain an important sector with 20 per cent of GDP, and it can not be overlooked. How this industry will look over the next decades is hard to predict since we live in a world of the unexpected. But we can not manage with an economy that is based on services. We need export to pay for import. That is why we have to empower industry, with skilled people, an environment of entrepreneurship and proper regulation. Industry needs to be put on the agenda.

► The victory of the people who want to be free

Recent revolutions in North Africa have been great news all over the world. But what exactly will be their impact? According to Van Rompuy we have to look at them as a positive evolution, as a victory of the people who want to be free. But the transition period that is now taking place is key. It is of paramount importance that Europe emerges as a co-manager in order to strengthen the people of these spontaneous movements, to stabilize the energy market and to restore their economies.
