

Where do we go from here?



The last 12 months have been difficult for European business. It is not, this time, that economic conditions have deteriorated so badly. On the contrary, there may be grounds now for optimism that Europe will gradually break free of the one-size-fits-all straitjacket that was a major part of the Euro plan. But the underlying political bedrock for economic growth across Europe is far from stable. Progress on the Lisbon Agenda is depressingly slow; from COBCOE's perspective the objective of achieving a "dynamic and competitive knowledge-based economy" by 2010 seems a bad joke. Key structural reforms of the major economies across Europe are progressing at a snail's pace while our competitors run ahead. Plus there are alarming rumbles presaging economic protectionism in the distance.

Despite the best efforts and intentions of the British Government last year, as President of the EU, to find a common position on the EU budget, and notwithstanding all the nice words, the reality is that Europe appears to be stuck with the same old agricultural policy until 2013. The result? Continual haemorrhaging of taxpayers' money, undermining of agriculture in developing countries, and effective blocking of any material progress in the WTO Doha round.

The rejection of the European Constitution (whether you were for it or against it) has undoubtedly shaken the confidence of those at the forefront of the "Great European Project" and has resulted in both dissension and a lack of direction. Jacques Delors' concept of Europe being a bicycle where we have to keep pedalling or we'll fall off may be valid, but the trouble is that we seem to be cycling in circles at the moment. The reality may be that achieving genuine consensus on how Europe should look in the coming decade is becoming increasingly impractical with 25 member states and a few more soon to join. If so, perhaps it would be better to get off the bike now and accept the new reality.

For international business organisations these are critical times. Our members are coming under increasing regulatory and fiscal pressures, yet only a successful business community across Europe can deliver the growth, prosperity, and perhaps the direction, that Europe needs.

tional trade and business with the United Kingdom. As such, we give a voice to over 6,000 businesses from all sectors of trade and industry involved in business with the UK. Our aim is to protect and promote the interests of our constituent chambers – and

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by *The Rt. Hon. Alan Johnson MP, UK Secretary of State for Trade and Industry*

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Within COBCOE, we take our mission seriously. For decades we have provided an essential platform for British business organisations across Europe to exchange ideas and strategies, while delivering a mechanism for cooperation. As important as that is, today it is no longer enough. Looking forward we must offer new and additional facilities to our constituent chambers and members, using the critical mass derived from our 19 chambers of commerce. We must also begin talking more clearly and forcefully, on behalf of the many thousands of businesses we represent, to the local, national and supra-national governments that need to listen. Only with business and government working in partnership can we hope to navigate our way out of the cul-de-sac that much of Europe finds itself in today.

Howard Rosen
Acting President, COBCOE

COBCOE (www.cobcoe.org.uk) is an independent, not-for-profit organisation representing British chambers of commerce throughout Continental Europe. Acting as an umbrella organisation, we work with our member chambers to advance interna-

their business members – through representation, cooperation and trade stimulation. To do this, we liaise closely with governments and organisations to ensure that our members' needs and concerns are addressed.

Chamber of the Year

The British Polish Chamber of Commerce was named COBCOE Chamber of the Year 2005 at the COBCOE 2005 Annual Dinner held in Brussels.

On being presented with the award from Andrew Rashbass, Publisher and Managing Director of The Economist, sponsor of the Annual Dinner, BPCC Chairman David Thomas said: "It's an honour for me to receive this award for outstanding achievement on behalf of the BPCC, our patrons, members and staff. Receiving the Chamber of the Year Award is recognition of Poland's potential in an enlarged Europe. It is an excellent platform for our chamber's board to continue building the BPCC as the leading international chamber of commerce in Poland."

Martin Oxley, Chief Executive of the BPCC, noted: "One of the key roles of the BPCC is to promote Poland in Europe. Poland has high potential for business and much to offer in terms



From left: Malcolm Harbour, MEP; David Thomas, BPCC Chairman; Barbara Stachowiak-Kowalska, MBE, BPCC Executive Director; Sheena Campbell-Royle, OBE, former President COBCOE; Martin Oxley, BPCC CEO; Andrew Rashbass, Publisher & MD, The Economist

of trade and investment. We are proud to receive this award, which recognises our contribution to sustainable business excellence."

"This award puts Poland and the BPCC on the new business map of Europe. Both David and I would like to thank

in particular our patrons and members for their continued support in enabling the BPCC to develop into a leading business chamber."

COBCOE's first sponsors



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COBCOE on the move

New Secretary General for COBCOE



Céline Duckworth started on 1 February 2006 as COBCOE's Secretary General. Céline has an impressive background of working in international business environments involving the management of projects across Europe. Bi-lingual in French and English, she has lived and worked in both Paris and London, the latter for almost 10 years.

David Crackett and David English join the COBCOE Executive

David Crackett, President of the British Chamber of Commerce of Italy and David English, President of the British Chamber of Commerce in Spain, have joined the Executive of COBCOE. Both are senior businessmen with hands-on experience of running chambers of commerce. David Crackett's appointment means that the BCCI is represented on the COBCOE Executive for the first time for many years. "Both Davids bring a wealth of experience to the COBCOE Executive and will be actively involved in moving the organisation forward" said Howard Rosen, Acting President of COBCOE.

British Estonian Chamber of Commerce joins COBCOE

We are delighted to welcome the British Estonian chamber of commerce into COBCOE. The BECC is a highly active Chamber in one of the new EU member states and is managed by Agnes Aaslaid in Tallinn. For more information about the BECC visit their website: www.becc.ee.

Directors' Training Academy



Between 12th and 17th June last year, four COBCOE Chamber directors attended a special training academy at Lake Balaton in Hungary, organised for them by COBCOE in co-ordination with Eurochambres. The programme was excellent and proved also a marvellous opportunity to network with other professionals running chambers of commerce.



Cobcoe member Vicki Guntern with Remco Lucassen (Eastern Netherlands Chamber of Commerce)



Peter Byrne - chief executive of the South Dublin Chamber of Commerce, Valeria Abelovszky and Vicki Guntern

COBCOE introduces Associate Membership

Constitutionally only British Chambers of Commerce, or like organisations, operating in Europe but outside of the UK are eligible to become members of COBCOE. However, other representative business organisations, particularly some based in the UK, have indicated that they would like to be part of COBCOE. COBCOE has now introduced a new special category of "Associate Membership" aimed at these organisations. "It is in our members' interests that there should be strong working relationships with Chambers of Commerce and other representative business organisations which otherwise cannot become members of COBCOE" remarked COBCOE President Howard Rosen, "and this new category of membership will provide not just the mechanism for this co-operation but also allow these partners to be actively involved on the inside in the future direction of COBCOE". For more information on becoming an Associate Member, contact:

celine.duckworth@cobcoe.org.uk

Staying up to date: Keep up to date with all the latest COBCOE news and initiatives by logging into our website www.cobcoe.org.uk

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CHAMBERS' REVIEW 2005

BRITISH-ICELANDIC CHAMBER OF COMMERCE

www.chamber.is/bi_lateral.asp?Id=598



Supported by an active programme of chamber events and the continuing wave of Icelandic investment into the UK, membership of the British-Icelandic Chamber of Commerce reached an all-time high of 133. All three chamber chapters – UK South, UK North and Reykjavik – hosted events that maintained the chamber's high level of activity.

The annual golf tournament hosted by the UK North Chapter has seen increased participation year-by-year, and there is a growing awareness of Iceland's business activities in the North of England. In addition to Hull, Grimsby, Manchester and Glasgow, Leeds is fast becoming a focus of interest. The UK South's cruise on the River Thames also attracts larger attendances each summer.

In November, the Reykjavik Chapter jointly hosted a seminar on the UK Takeover Code with the Iceland Stock Exchange and the University of Reykjavik. This proved so popular that there was standing-room only, in part thanks to an excellent speaker from the UK Takeover Panel.

Finally, the chamber sponsored a new booklet summarising the experiences of Icelandic business people and entrepreneurs who have established or acquired companies in the UK. This has become a "must read" guide to investing in the UK. Following its publication, a group of thirty small Icelandic companies visited the UK, hosted by the chamber, to meet some of the larger companies featured in the booklet. The investment wave continues.

BRITISH-NORWEGIAN CHAMBER OF COMMERCE

www.bncc.no



BNCC is a leading business networking forum in Norway providing opportunities for British and Norwegian business leaders to meet. We also provide practical business assistance in Norway.

During 2005 BNCC organised eight members' meetings, most of which took place at the British Embassy.

In 2005 we provided British companies with information about Norwegian trade and industry and cooperated with the Trade and Investment Department of the British Embassy and the Norwegian-British Chamber of Commerce in London to provide Norwegian companies with information about British trade and industry.

The BNCC's website www.bncc.no has been considerably improved and now offers useful links to British and Norwegian company databases and organisations. Our BNCC Newsletter is issued quarterly and provides our 200 or so members with a useful platform to introduce their companies.

BNCC is a member of the EU Chambers of Commerce Group in Norway. This consists of nine EU chambers of commerce, and was chaired by BNCC in 2005, during which it organised four key conferences and four group meetings.

BRITISH CHAMBER OF COMMERCE IN SPAIN

www.britishchamberspain.com



The British Chamber of Commerce in Spain has hosted over forty events this

year across Spain. 2005 has also seen a Business Roundtable with the Government of Spain in association with The Economist, and a luncheon to welcome the new British Consul General for Barcelona, David Smith.

This year, the BCCS has joined forces with International House to provide the biannual EuroPro examinations for business people for whom English is a second language. In addition, we recently launched the Vivabritain website, an informative and impartial service offering tailor-made advice on studying English in the United Kingdom.

Membership quotas have risen significantly this year and the chamber has started to penetrate the southern Spanish market. This began with a collaboration with the Smart Guide to Andalucia, which has resulted in an increase in the number of Andalucian members.

The BCCS rounded off the year with a series of Christmas events ranging from dinner in Bilbao, to lunch in Madrid, and a cocktail in Barcelona.

BRITISH CHAMBER OF COMMERCE FOR ITALY

www.britchamitaly.com

This has once again been an eventful year for the British Chamber of Commerce for Italy. A number of conferences, seminars, cocktail parties and dinners were among the activities that made 2005 a significant follow-on to our 2004 centenary year.



A major event during 2005 was the reopening of the regional branch in Liguria, where the chamber was first founded in 1904. The event to mark this took place on 6 May in the prestigious Palazzo San Giorgio in Genoa,



From left to right: Sir Ivor Roberts KCMG (HM Ambassador to Italy), Giovanni G. Novi (President of the Genova Port Authority), standing – Paolo Odone (President of the Genova Chamber of Commerce)

and brought together a number of prominent figures from Genoa's business community to discuss economic relations between Liguria and the United Kingdom. Among the guests were: Sir Ivor Roberts, HM Ambassador to Italy; Richard Northern, British Consul General; Giuseppe Pericu, Mayor of Genoa; and Paolo Odone, President of the Genoa Chamber of Commerce.

Our full calendar of events for the year was aimed at creating the best possible networking opportunities for members. During 2005 we continued to invite eminent speakers to our lunches and dinners including: Dr. David Wilkinson, Director of the EU Ispra Research Centre, and Cesare Romiti, at the time Honorary President of the RCS Media Group.

Despite focusing on business-orientated events, social occasions have not been neglected: our "Seafood and Whisky" dinner organised with the Rotary Club in March, and annual Golf Day in September, are two fine examples. Tours of vineyards and wine cellars attract many BCCI members, as do our monthly pub evenings.

The BCCI's activities in the area of commercial services and promotional media were further developed during the year. Most notably, IVA recovery services were enhanced as were all chamber publications, now improved in terms of both graphics and content.

We look forward to an equally successful 2006.

BRITISH-SWISS CHAMBER OF COMMERCE

www.bscc.co.uk

The British-Swiss Chamber of Commerce continued to offer members a large number of interesting events to choose from throughout the year. All in all there were over 70 events, which ranged from breakfast, luncheon and dinner events featuring speeches by business and government heavyweights, to the annual golf outing.



Active Public Affairs Commission

The BSCC strongly supported the extension of the Swiss/EU Bilateral Treaty on Free Movement of Persons to the new EU member countries which joined the EU on 1 May 2004. The Treaty was the subject of a referendum in Switzerland on 25 September. The BSCC argued that extension would not only benefit the Swiss economy and Swiss citizens, but was also in the interests of British businesses in Switzerland and the UK economy, for which Switzerland is an important trading partner.

An internal poll of BSCC members completed on 20 September showed almost unanimous support for extension of the Treaty, with 99% of respondents in favour. Some 56% of Swiss voters voting in the referendum approved the Treaty.

Our Public Affairs Commission (PAC) has been highly active and innovative this autumn. As well as normal lunches and private dinners it ran a series of breakfast sessions with prominent speakers including Mr. Dominique Reber, Head of Public Affairs Swisscom; and member of the Swiss parliament Mr. Gerold Buhner. Each speaker discussed "The Legitimate role of Business in Politics" from their own perspective.

Member Survey

Spring 2005 was time again for our Member Survey. Among other encouraging results, the survey proved that networking is the name of the game – a point confirmed by the excellent attendance at our events.

We look forward to attracting even more new members to these events and to exceeding their already high expectations in 2006.

BRITISH CHAMBER OF COMMERCE IN HUNGARY

www.bccm.com



"Hungary needs to build on the successes of the past 15 years, improve competitiveness, and make it easier to do business", according to HRH the Duke of York, Prince Andrew, who spoke to the British Commercial Council in Hungary.

The Duke was on his first official visit to the country as UK Representative for Trade and Investment. Having visited British stands at the HungExpo, the Duke opened a workshop on emissions trading. Hungary is due to begin trading through an EU scheme.

An Embassy cocktail event hosted by the Sofitel, was followed by a BCCH dinner at which the Duke gave the keynote speech of his visit.

He stated that joining the European Union had brought Hungary many opportunities, but: "EU accession also brings responsibility. Hungary needs to – and will – play its part to enhance the competitiveness of the whole of the EU."



HRH the Duke of York speaking in Budapest

The Duke noted there were problems in terms of economic convergence and joining the Euro. But, he acknowledged, it is easy to point out what is wrong and harder to help put things right. "This is why one of the key elements of the UK's drive for improving competitiveness is simplification of the regulatory framework." He said that Britain was ready and able to help in this regard where it could.

BRITISH CHAMBER OF COMMERCE IN LITHUANIA

www.bccl.lt

BRITISH CHAMBER OF COMMERCE
LITHUANIAN-BRITISH ASSOCIATION

2005 was a remarkable year for the British Chamber of Commerce in Lithuania. Operating since 1999, and led by Chairman Chris Butler, today the chamber is recognized as one of the most active foreign chambers in Lithuania. We now have 110 corporate members and individuals and recently moved to new offices in the centre of Vilnius.



BCC Board member Geoffrey Bersey 'having a go' from catapult to a clay pot

Our sixth AGM in May 2005 attracted over 150 people and was addressed by the Deputy Mayor of Vilnius Mr. Gediminas Paviržis, who thanked the chamber for three years of support for the Vilnius Drug Rehabilitation Centre for teenagers.

Early September saw a members' trip to enjoy a ride in one of the carriage-restaurants of the Lithuanian Narrow Gauge Railway with wine tasting, barbecue and folklore entertainment.



On board the Lithuanian Narrow Gauge Railway

In October we held our first business reception in London in co-operation with the Lithuanian Embassy, kindly

hosted by H. E. Aurimas Taurantas, Lithuanian Ambassador to the UK. Over 120 people attended, proving that interest in doing business in or with Lithuania is constantly growing. The chamber hopes this will become an annual business event in the UK.

Other popular events during 2005 included speaker lunches, monthly breakfast technical briefings, a seminar on setting up business in the UK in early April, members' informal meetings, and our annual charity Burns Night event, which has gained huge popularity and hosted over 200 guests from Scotland, England and Lithuania.

BRITISH-POLISH CHAMBER OF COMMERCE

www.bpcc.org.pl

The BPCC developed strongly during 2005, increasing its patrons to ten and membership to over 400. The chamber introduced several new products and services, ran over 200 business networking events in Poland and the UK, and held two major international events during 2005.



BPCC 2005 – National Conference and Exhibition

The leading British Trade and Investment Conference in Central Europe during 2005 attracted top-level government and industry speakers, over 270 participants, 30 exhibitors, and international and national publicity.

The British Polish Recruitment Roadshow 2005

This was organised in partnership with EURES, the British Government, Polish regional labour offices and leading media patrons with the objective of promoting ethical, responsible and sustainable employment for Poles in the UK. Over 10,000 people participated in the programme.

Comprehensive programme to promote real business growth

In addition to these two major events, the BPCC staged a comprehensive programme of media, networking and business support activities. We expanded to eight regions in Poland and two in the UK, and continued our monthly breakfast briefings with leading politicians.



BPCC Recruitment Fair in Krakow

Agreements were signed with key Polish cities to promote inward direct investment, and we launched a new regional business magazine.

Our Presidents' Club Dinner Briefings were expanded across the regional network and we launched New Member Breakfast Clinics. Seven Regional Trade and Investment showcase missions took place to the UK, and we ran a three-city UK roadshow and expanded our UK seminar programme.

BPCC took the founding Presidency and launched IGCC (International Group of Chambers of Commerce) a forum of the leading chambers in Poland. We also established five Member Policy Think Tanks to develop and deliver white papers on key reforms to the Government.

Other activities included continuing our routine CEO media briefings on national and industry sector news; sustained promotion of our website; launch of BPCC EU Business Links – a specialist service focused on business development for member companies; launch of BPCC Business Point, a membership virtual office services product; and ongoing patronage and promotion of business awards and business and cultural events.



Breakfast with Prime Minister

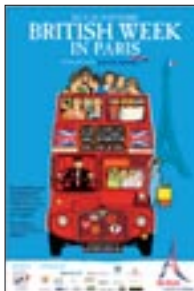
FRANCO-BRITISH CHAMBER OF COMMERCE

www.francobritishchamber.com



The overall "bilan" for 2005 was very healthy. The chamber is in dynamic mode. We attracted 59 new members, further developed our information services, and provided an extensive programme of focussed events for members.

In 2005 we launched a new business event "British Week in Paris", which promoted the presence of over 20 British shops in the city. Over 15,000 visitors sampled the best of British products and services in a broad range of business sectors, including tours around the city on a double-decker bus. The event was such a success that the sponsors plan to run it again from 11 to 18 October 2006.



The week concluded with a round table at which the British Ambassador to France, Sir John Holmes, and leading businesspeople operating in both France and Britain gave their views on "France/Great-Britain: two models for success?".

We also launched a new event on Women's Day, dedicated to the role of women in business and political society, which will be repeated on 8 March 2006.

We continued to be involved in community events such as the charity evenings for the "Fondation pour l'Enfance" and "Hopes and Homes".

We have also revived our regional presence in partnership with local French agencies and regional chambers of commerce, particularly in Brittany, Normandy and the Périgord.

BRITISH ROMANIAN CHAMBER OF COMMERCE

www.brcc-ccbr.org

The British Romanian Chamber of Commerce held its first London event in the Autumn/ Winter 2005 calendar, a highly



successful seminar which focused on the growing interest of business development and trade in Romania and beyond to some of her key neighbours, Serbia-Montenegro, Croatia, Bosnia-Herzegovina and Republic of Moldova. This Romania lead event was chaired by Marina Sturdza, well known for her work and expertise in the field of FDI in SE Europe. She stated "We congratulate the British Romanian Chamber of Commerce for taking a lead role in encouraging bilateral and multilateral relationships between regional neighbours. This initiative also reflects the policy of the Romanian government, and we all stand to benefit from strong regional trading partners."

The event offered an ambitious and interesting programme ranging from analytical overviews, risk analyses, sector specific studies, practical legal & financial advice, regional presentations from each country represented and case studies/ success stories from actual investors in the region, ample networking and discussion opportunities as well as a table top display exhibition in the foyer showcasing the many attractions of visiting and investing in Romania and her key neighbours.

This "challenging" event supported by the embassies of Romania, Croatia, Republic of Moldova, Bosnia & Herzegovina, Serbia & Montenegro and Bulgaria, in London, the British Croatian Chamber of Commerce, the Confederation of British Industry (CBI), the London Chamber of Commerce and Industry and International Financial Services Ltd (IFSL), sponsored by Alison Hayes Ltd, Austrian Airlines, Airport Express Alliance and Croatia Airlines, received high praise, and as a consequence has set a precedent for the Chamber's annual events calendar.

BRITISH CHAMBER OF COMMERCE IN BELGIUM

www.britcham.be



New faces at the BCC in Belgium since January 2006

The BCC secretariat welcomed three new faces in January when the BCC hired students to help out with the

ever-growing work load of the chamber. Each student has an attributed task and will stay for a period of 6-9 months. Please contact them directly for your particular issue or question.

Linda de Roo, a Dutch student from Groningen University, is our EU Committee Co-ordinator. She helps Sara Murray with the daily affairs of the EU Committee and assists with the organisation of all EU Committee and BNG events. Ira Kita, an Albanian student from Vesalius College, is our BDG-ICT Co-ordinator. She helps Valérie Echard with the daily affairs of both committees and assists with the organisation of their events. She will also organise the Golf Tournament in June.



From left to right: Valérie Echard, Ira Kita, Sara Murray, Linda de Roo, Ciara Murray, and Paul Boorman

Ciara Murray, an Irish student who will be going to University in October, is our Office Assistant, dealing with membership and database issues. She is also the voice of the chamber when you contact us.

Valérie Echard, Secretary General, continues to hold the fort with the able assistance of Sara Murray, Deputy Secretary General. We all look forward to helping you with any enquiries you may have.

Austrian Presidency offers a fresh start for Europe

Austria assumed the Presidency of the Council of the European Union on 1 January 2006. At an EU Committee breakfast briefing on 20 December 2005, members heard Gregor Woschnagg, Austrian Permanent Representative to the EU, outline his country's priorities over the next six months.

CHAMBERS' REVIEW

During the Presidency, the members of Austria's Federal Government will chair the meetings of the European Council. They will have to address a number of major issues crucial to the future of the European Union.

Mr Woschnagg outlined the priorities:

- The Financial Perspective 2007–2013 adopted by the 25 Heads of State and Governments in December 2005 must now also gain the consent of the European Parliament and the Commission.
- The period of reflection on the future of Europe is to be evaluated during these six months in order to find a way forward on the European Constitutional Treaty.
- Measures to promote growth, jobs, research and technological development as well as questions of enhanced security cooperation also make for a busy agenda.
- Strengthening competitiveness and developing the internal market.
- The Sustainable Development Strategy will be renewed by the European Council in June 2006. The EU will also pursue combating climate change both at international and Union levels.

Mr Woschnagg said that Austria wishes to use its Presidency above all to bring Europe closer to its people and to boost confidence in the European project.

Junk food warning as Brussels tackles obesity

Urgent action was needed to tackle Europe's obesity problem, particularly amongst the young, warned Margaritis Schinas, Director General, DG SANCO at an EU Committee breakfast briefing on 7 December 2005, sponsored by EUK Consulting.

Mr Schinas believed that self-regulation in the food industry was the quickest and most effective way to tackle the problem. In March a new platform with the food industry was announced to agree the new self-regulatory standards, which it is hoped will produce commitments by early 2006. But he warned that if this didn't provide satisfactory results, the European Commission would proceed to legislation.

Brussels also wants to encourage initiatives to promote healthy lifestyles, involving national governments, the

food industry and health bodies. Until recently Europe considered obesity to be a US problem, whereas it is now also seen as a European problem. Industry backs voluntary reforms but has said progress is likely to be gradual.

BRITISH CHAMBER OF COMMERCE CZECH REPUBLIC

www.britishchamber.cz



Nearly 200 members and special guests gathered at the summer picnic organised by the British and Canadian chambers of commerce in the Czech Republic at Pelle Villa in August. Pelle Villa in Prague 6 is well-known to art lovers, having been established as a permanent gallery for Jiří Anderle's paintings and African



Summer picnic at the Pelle Villa

collections. To the delight of all those present, the artist himself arrived unexpectedly to welcome the guests.

This is just a selection of the activities of the COBCOE membership. For detailed information about each member chamber of COBCOE you can access their website through the COBCOE website: www.cobcoe.org.uk.



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Who really runs Britain?

by Howard Rosen
Acting President of COBCOE

Understanding the way the British Government works, and how to deal with it, is essential for any entrepreneur or company trading with or investing in the UK. On 1st February COBCOE ran a unique symposium in London asking the question "Who really runs Britain?" The answer was far from easy.

Our timing could not have been better. The night before the symposium, the British Government had lost two votes in the House of Commons. How could this happen? Why had it taken place only once before since 1997? Was a shift of power in Government happening before our eyes?

COBCOE assembled a fascinating and distinguished group of commentators and observers to help us examine where the power lay. From Nigel Griffiths MP, a seasoned government minister, to Oliver Letwin MP, now the chief Conservative Party policy thinker, from Lord Griffiths, who had worked inside Mrs Thatcher's cabinet office, to Lord Turnbull, who had just retired as Cabinet Secretary and head of the Civil Service, and from political journalists David Goodhart and Ned Temko to lobbyist Michael Burrell, each an expert at "reading" the system.

What became startlingly clear as the symposium progressed was that political power does not rest in any one person's hands. Mr Blair may lead the country, but he does not run it. Moreover, as the votes the previous evening had shown, even Prime Ministerial power is ultimately derivative. As personality-driven as politics may seem today, the reality behind the scenes, our speakers



Preparing for the event - from the left: Howard Rosen, Edward Garnier MP, Ned Temko and Louise Ellman MP

agreed, was rather different. Government today is an interlocking jigsaw, a complex interrelationship between parliament, ministers, civil servants, other sources of power such as the EU and the judiciary, and stakeholders outside the established structures of power who nevertheless wield the ability to influence, such as the press and NGOs.

What animal is your Prime Minister?

Beyond this basic position, however, there were markedly different views on the "texture" of government. Power, said one MP, was remarkably fluid. After the exit of Britain from the European Exchange Rate Mechanism (ERM) in 1992, Mr Blair's predecessor as Prime Minister, John Major, was "in office but not in power". He still had many prerogatives, including the power of patronage, but there was a palpable diminution of his ability to control policy. Our

speaker argued that Mr Blair was now experiencing a series of mini ERM moments, his power gradually seeping away and flowing towards his obvious successor, Mr Brown, so much so, as one of our other speakers remarked, that Mr Brown had recently ceased showing reserve in his support for the present Prime Minister (in the hope of hastening his exit). He had realised that the more difficult the position of the current leader of the government, the more poisoned the chalice that would be handed over shortly.

The Prime Minister's position had become more presidential than ever, remarked one speaker. "Bill Clinton without the oral sex". "Nonsense", retorted those who had direct experience of working with present or past PMs. The mechanisms of power were nothing like those in the White House and he/she had always been *primus inter pares*. Key policy had always ultimately been controlled from "No. 10". Most agreed, however, that there

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was a definite change of style with the current Prime Minister, in both his domination of the political system and the way he pushed through policy. Mrs Thatcher was “dog-like” in her determination to see things through – her way. Mr Blair, however, was more feline, sensing and feeling his way around the obstacles.

The Media Democracy

A factor in all of this was clearly the role of the press. Britain, said one speaker, had become a “media democracy”. It seemed to be accepted that BBC Radio 4 sets the national agenda each morning. But far from being a critical outsider, the press today had developed a symbiotic relationship with government. It has become the insider’s outsider: a junkie hooked on political power which has carved out a new role for itself over recent years, not just publicising and at times attacking government decisions, but also becoming itself the forum for national debate.

Further, in the internet and “big brother” age, it has become a channel for its listeners to communicate to politicians and pundits alike, “enthroning public opinion as king”. Only a few weeks ago, Radio 4 listeners had decided that EU Commission President Barosso was the most powerful man in Britain, followed by Rupert Murdoch, with Tony Blair trailing behind with the same score as the head of Tesco. Although many

of our speakers found this league table literally incredible, this shift has arguably undermined trust and confidence in the political system and has at times been used as an excuse by politicians to avoid decisions which will be unpopular in the short term. But with the media empowering public opinion, there is a legitimate question now as to how far government can run ahead of popular sentiment. So what has happened to parliament?

Yes Minister

Detail can be the minister’s friend, but also the lobbyist’s ally when presenting a coherent and persuasive case. Ministers exercise authority, often through secondary legislation and the royal prerogative, with very limited accountability. Our MPs not directly in government remarked that this was a position which was fundamentally undesirable and that parliament was currently too supine in its approach to the scrutiny of government decisions and actions. Parliament – both the House of Commons and the now revitalised House of Lords since the 1998 reforms (paradoxically) gave it a new legitimacy – was fighting back through more detailed examination and challenging of legislation, and through powerful select committees forcing the Executive to account to parliament. But in fact, in the coming years the most effective oversight could be shifting to the judiciary, which was now empowered by European Human Rights law and “legitimised” by the recent judicial reform of the Supreme Court to look over the shoulder of the politicians.

But were ministers really in power, or simply the front men, apparently



Nigel Griffiths MP, deputy leader of the House of Commons Speaking to the Symposium

making decisions but actually selling them to parliament, the media and the electorate, falling in with considered advice provided by special advisers and a highly professional, impartial but not independent, civil service? Certainly one precondition of any effective lobbying of government was contact with, and persuasion of, key civil servants as well as ministers. One prominent MP had no doubt that the real power was exercised by the civil services both in Whitehall and Brussels. They set the agenda. Both in the UK and Europe, democracy was the mantra, the veneer, but behind the scenes, the position was very different. “Yes Minister”, declared one speaker, was the definitive training manual for all ministers and their advisers. The bureaucrats were in command although their power depended on the illusion that they were not. Those directly concerned with the civil services from on-high fervently denied this. But then they would, wouldn’t they?



Lord McNally

The speakers at the COBCOE Public Affairs symposium on 1st February 2006 were Nigel Griffiths MP, Deputy Leader of the House of Commons; Ned Temko, Chief Political Correspondent of the Observer; Louise Ellman MP; Edward Garnier QC MP, Conservative Shadow Home Affairs Minister; Douglas Carswell MP; Michael Aron, Political Counsellor UKREP Brussels; Michael Burrell, vice chairman of Edelman Europe; The Rt. Hon. Oliver Letwin MP,

Chairman of the Conservative Party Research Department; Bill Midgley, President of the British Chambers of Commerce; Lord Griffiths of Fforestfach; Lord McNally, leader of the Liberal Democrat Party in the House of Lords; Lord Turnbull, former Cabinet Secretary and head of the Civil Service; and David Goodhart editor of “Prospect”. The event was jointly chaired by Ned Temko, David Goodhart and Howard Rosen, President of COBCOE.

The Visibility Problem

by David Goodhart
editor of the monthly
political affairs magazine
“Prospect”

Gatherings of the European faithful tend to be sombre affairs these days. At the Anglo-German Koenigswinter conference in Oxford this March one of the very first facts we were presented with was the Eurobarometer poll that found that only 50 per cent of all EU citizens are prepared to say that EU membership has been good for their country.

Nobody was dodging the message sent by the French and Dutch voters in rejecting the constitution last year. And there were many references to Tony Blair’s recent speech on Europe – also by chance given in Oxford – which seemed to embrace what Blair called a „practical scepticism.” As one of the Koenigswinter delegates said, this was Tony Blair – the most pro-European British prime minister since Edward Heath – shifting towards Gordon Brown’s dourly pragmatic approach to Europe.

Everybody agreed that even in the founding member states the post-war idealism had little meaning for today’s generations and more must be done by „Europe” to reconnect with the voters and deliver practical, visible benefits. One German Social Democrat talked about the EU providing an answer to peoples’ anxieties on jobs and security, somebody else talked about a Europe-wide programme to beat organised crime.

But there is a problem here that few pro-Europeans seem to grasp – Europe is inherently a second order institution. The overwhelming political reality now and for the next several decades will be national. Most of the appeals for Europe to become more relevant – such as that from the German Social Democrat – would require a massive supranational intervention into welfare and labour market policies that would be resented by almost all European voters, even German ones.



Where Europe IS effective is mainly in behind-the-scenes measures of technical co-operation such as those on international trade or the single market. But these, by definition, have low visibility and thus low voter acknowledgement. If we do manage to produce a Europe-wide programme to beat organised crime it will be a great achievement – doing just what Europe should be doing – but hardly anyone will notice it, or if they do they will attribute the success to their national police forces.

It cannot be repeated often enough how, come election time, almost all the things that British citizens really care about – tax and spend, the NHS, education, pensions, crime and anti-social behaviour, immigration and foreign policy – are still overwhelmingly determined at national level.

The EU is an expert-run international organisation, akin to Nato, to which nation states delegate some sovereignty to help them run their economies and societies better. It sets some important frameworks within which national politics now operates – especially for those countries in the euro-zone – but they are frameworks; the real stuff of visible politics is national.

Yet the post-national rhetoric of European integration has clouded this reality – and both Europhiles and Europhobes seem to have had an interest in talking up the importance of the EU. So Europe is seen as an alternative nation state, or even super-state, which leans aggressively on the beleaguered member states, instead of a set of rather boring committees arising out of the different nation states need to sort out some practical problems.

Europe is by definition invisible, even when it is working well, and European reformers better get used to that. And the political reality for European citizens remains overwhelmingly national. If you don’t believe me you should have been in my Koenigswinter seminar on Turkey and the EU, which was full of enlightened, internationally-minded, pro-Europeans. The chairman asked at the beginning of the debate who was in favour of Turkish membership of the EU. All the British delegates raised their hands. And who was against? All the Germans raised their hands.

For more about Prospect, see
www.prospect-magazine.co.uk

Europe after the UK Presidency

by the Rt. Hon. Alan Johnson MP,
Secretary of State for Trade & Industry

COBCOE plays a vital role representing British business in Europe, building on years of experience and expertise. The challenge for us in Government is to add value to what you are already achieving.

In your last newsletter, on the eve of the UK Presidency of the European Union, my predecessor Patricia Hewitt set out our key goals for making Europe a better place to do business. Looking back, what did we deliver?

First of all, getting rid of unnecessary red tape. In 2005 we welcomed the Commission's renewed focus on better regulation, and applauded Vice-President Günter Verheugen's decision to withdraw 68 proposals for new legislation that were no longer needed or would have required considerable amendment. The Commission began its review and simplification of all existing EU law that should, in the long term, transform the EU regulatory environment.

A second priority for our Presidency was to see progress in the field of research and innovation. We succeeded in agreeing an approach on a seventh Framework Programme (FP7) for funding European research that is now paving the way for swift progress under the Austrian Presidency. The new Framework Programme will also take on a welcome business-



Alan Johnson

friendly slant – with less bureaucracy, and a new structure designed to open up opportunities for smaller companies.

A third priority for the UK Presidency was to open up markets both within the EU and beyond. The Budget deal has allowed the new enlarged Europe of 25 to move forward, and given the accession 10 the support they need to help them become even healthier export markets of the future. And by agreeing to initiate talks on Turkish accession we have brought closer a larger EU which would represent an even bigger free trade area.

The year culminated in our efforts to open up international markets at the WTO Ministerial in Hong Kong. Overall,

the outcome to the Ministerial meeting in Hong Kong last December was disappointing. But we did achieve some small results in areas including a development package, aid for trade, cotton, and ending of agricultural export subsidies by 2013. And crucially, we kept the process on the tracks. Last year saw progress, too, on a range of areas too diverse to cover in detail – helpful steps forward on the services directive and working time; agreement on REACH, the chemicals directive; important work on information and communications technology, and the successful launch of the European Centres of Enterprise competition. We also witnessed a new and welcome focus on energy policy, looking at the vital questions of opening markets and achieving security of supply.

All this against the background of a year that presented its fair share of challenges for Europe, with lively debate about the direction of the EU, how and whether it should change its constitutional arrangements, and how it should be financed.

Today, with Turkish membership now a real prospect, the Budget resolved, and the Austrian Presidency guiding us through the next stages of debate, we can present a powerful vision of an open and optimistic Europe, confident of meeting the needs of its citizens and businesses. The way ahead must be to engage constructively, and keep arguing for policies that will enable us to take on the challenges of the future and win.

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