

# We can make a difference

By *Howard Rosen CBE,*  
*President, COBCOE*

Over the past few months, I have been able to meet many of the officers and directors of our 21 member chambers, as well as many of the 6,000 constituent members represented by COBCOE through these chambers. What has struck me most is that we are a true cross-section of the European business community – and most of us are not British.

Even our bi-lateral member chambers with a UK presence have their principal area of operation outside the UK, in what the British still call “Europe” – that place on the other side of the English Channel and North Sea. What brings us together are strong UK connections, a common view of the European economy as a huge opportunity, and a total rejection of the idea of defending national interests via suffocating national and EU legislation.

At our last AGM we took the first steps to advance this common approach. We adopted a statement of principles (see inside) and have now established a Public Affairs Commission. This is dedicated to helping our constituent members understand how Europe should work for the greater prosperity of the community, and creates a mechanism for us to work together to make a reality of our vision of a free, open and competitive Europe.

*COBCOE (www.cobcoe.eu) 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 international trade and business with the United Kingdom. As such, we give a voice to over 6,000 businesses from all sectors of*

Proposed EU legislation affecting the international business community, however well meaning, must be judged by how it actually affects that vision and furthers our competitiveness in the global market. Ian McCartney MP, the British Minister for International Trade, argues forcefully in this issue for the EU Services Directive to reach the statute book in its current draft form. Despite difficult compromises on the way, the Draft Directive remains a valuable step forward and we fully support the Minister’s position.

We will not hesitate to back proposals which push Europe towards our collective vision. But it is important not just to look at what is being proposed. We also need to examine what is there already. Commissioner Verheugen’s demand for a reduction in red tape from existing EU legislation is a call we fully support, though we see few results so far.

Of course, existing legislation is often flawed. At the time of “Links” going to press, the row rumbles on concerning disclosure of personal data to the United States authorities. It will be solved with the traditional compromise (or fudge), that will probably significantly dilute the principles of data protection. But let’s not miss the real issue: namely that the EU Data Protection Directive is unintelligible

*trade and industry involved in business with the UK. Our aim is to protect and promote the interests of our constituent chambers – and 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.*

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to most businesses, a major cost to the community, as well as out of date, impractical, unworkable and unenforceable.

If Europe is to be prosperous and successful, European business organisations such as COBCOE dare not remain passive on such issues. We can, and will, make a difference, but we have a lot of work to do.

*COBCOE represents the British Chambers of Commerce in Austria, Belgium, Czech Republic, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Norway, Poland, Romania, Slovak Republic, Spain, Sweden, Switzerland and Turkey.*

# COBCOE Annual Conference

The COBCOE Annual Conference 2006, held in London in April, was one of our most successful ever with 26 delegates from 14 member chambers.

Continuing the tradition of workshops where chamber executives share experiences, sessions included Business Services & Outsourcing, Sponsorship & Revenue Generation, Media & Events, Membership Recruitment & Retention, and Marketing & Branding.

The guests of honour, at our gala dinner, were Sven-Göran Eriksson, then Manager of the England football team, and his partner Nancy Dell'Olio. Sven's Q&A session and Nancy's presentation on Truce International



*From left: David Thomas, BPCC Chairman; Vicki Guntern, General Manager, BSCC; Catherine Le Yaouanc, General Manager, FBCCI; Wojciech Sokół, BPCC Board Member, holding their awards.*

## COBCOE Awards 2006

### Chamber of the Year

**Candidates:** Belgium, Germany, Poland and Romania.

**Winner:** British Polish Chamber of Commerce for an outstanding achievement for the second year running. The BPCC demonstrated great regional coverage, and ran a very busy and innovative events programme including a large trade conference.

### Best Sponsorship Achievement

**Candidates:** Poland and Switzerland.

**Winner:** British Swiss Chamber of Commerce, who with eight sponsors generate over EUR 60,000 annually. An additional sponsor also hosts their UK offices.

### Best Single Event

**Candidates:** France, Germany, Hungary, Lithuania, Poland and Switzerland.

**Winner:** Franco-British Chamber of Commerce and Industry for their British Week.

### Best Membership Growth

**Candidates:** Germany and Poland.

**Winner:** British Polish Chamber of Commerce for outstanding membership growth of 20%.

for World Peace through Football were warmly received. They also presented the Chamber of the Year Awards.

## COBCOE Annual General Meeting 2006

The AGM agreed small changes to COBCOE's articles concerning Executive Committee (EC) membership and eligibility for COBCOE membership. The Council approved concessionary subscriptions for small chambers, and accepted the 2005 accounts, showing a significant deficit.

The Council created two places on the EC for Chamber Directors, technically with observer status, to be actively involved in the EC and elected at each AGM for one year. Andreas Meyer Schwickerath, Director of the British Chamber of Commerce in Germany, was co-opted for 2006/2007.

COBCOE also established a Public Affairs Commission and a Training Commission, and adopted a set of principles (see page 3).

Howard Rosen was unanimously elected President of COBCOE, and David Crackett and David English unanimously confirmed as members of the COBCOE Executive.

Howard Rosen is an English solicitor who has practiced in Switzerland for over 20 years. His English law firm in Zug specialises in international commercial, finance and leasing law, and trusts. Howard was President of the British Swiss Chamber of Commerce from 1998-2003 and is now Chairman of its Public Affairs Commission. He became a Vice-President of COBCOE in 2003.

David English has been Managing Director of Smith & Nephew S.A. in Spain and Portugal since 1993. David was elected to the Governing Council of the British Chamber of Commerce in Spain in 1999 and became President in 2003.

David Crackett has lived in Italy for over 30 years, working in Milan since 1998 as Deloitte's Global Client Service Director with overall responsibility for international clients in Italy. David was elected to the Council of the British Chamber of Commerce for Italy in 1999, was Treasurer from 2000 to 2004 and became President at the beginning of 2006.

## Annual Conference 2007

The 2007 COBCOE Annual Conference programme promises to be of interest to Presidents and board members as well as Executive Directors. Please mark your diaries for 27th-28th March 2007.

## CHAMBER OF THE YEAR AWARD

The British Polish Chamber of Commerce won the Best Chamber of the Year Award for the second year in succession. The BPCC also won the award for Best Membership Growth.



David Thomas, BPCC Chairman, commented: "On behalf of the Board, the Executive and our entire membership, it is doubly pleasing to receive these two highly prestigious awards. This is confirmation of our strategy to develop as a pre-eminent membership-based business networking and services organisation."

Howard Rosen said: "On behalf of the entire COBCOE network and the adjudicating panel, I congratulate the BPCC, which has set an outstanding example in terms of quality and levels of activity over the last year, and has also demonstrated strong support for the development of COBCOE."

## COBCOE's new Public Affairs Commission

A key role of an organisation like COBCOE is to speak on behalf of its members in the political domain. Yet since its inception, COBCOE has had no mechanism for this other than through the individual initiative of the president of the time.

At its last AGM, COBCOE decided to establish a Public Affairs Commission specifically dedicated to working with government at both British and European levels, putting forward the views of our members and monitoring areas of proposed or actual legislation which may have an adverse effect on the international business community. We further agreed a set of basic principles (see box). The first members have been appointed, our inaugural meeting took place in Brussels on 11th October and an initial programme of activities has already been agreed. We also aim to set up a Brussels representative office for COBCOE next year and in the meantime, Andrew Johnson has been appointed COBCOE's representative there.

One of the Commission's first actions was to press BAA plc, which runs key British airports in the London area, to improve their security performance.

### Statement of Principles

COBCOE:

- believes in constructive dialogue as a partner with "government", whether local, national or supranational, and the business community, with the objective of encouraging successful trade and commerce for the common good;
- is committed to free trade and open borders for business, and supports equal treatment and liberalisation of goods and services;
- supports the objective of making Europe a "dynamic and competitive knowledge-based economy";
- is opposed to unnecessary legislation and bureaucracy;
- encourages business to act responsibly within the greater community.

## ANOTHER SPONSOR FOR COBCOE

We are proud to announce that BT ([www.bt.com/networked](http://www.bt.com/networked)) has become a sponsor of COBCOE. Sponsors of COBCOE receive special privileges in exchange for supporting COBCOE's activities either financially or in other ways. For more details of how to become a sponsor, contact Céline Duckworth at: [celine.duckworth@cobcoe.org.uk](mailto:celine.duckworth@cobcoe.org.uk).



## ARE YOU A MEMBER OF A BRITISH CHAMBER?

Do you travel on business to other European countries? As a member of a COBCOE chamber you can attend other COBCOE chambers' events at members' prices. Rather than having dinner alone at your hotel, why not network with the local British chamber of commerce at one of their events?

You'll find a full listing of COBCOE chamber events on our website. To register for other chambers' events, simply contact them directly, giving the name of the chamber you belong to. When planning your next business trip in Europe make sure you check out <http://www.cobcoe.eu/chamberEvents.asp>



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# CHAMBERS' REVIEW

## **BRITISH CHAMBER OF COMMERCE IN GERMANY**

[www.bccg.de](http://www.bccg.de)

BCCG membership development in 2006 remains very positive. By the end of August we had over 120 new members, with a total membership of over 950, including 106 sustaining members.



Work has now started on our BCCG Yearbook 2007, which includes our exclusive directory of British firms in Germany. We are already inviting advertising and articles for this important publication.

Noel A. Karytinios left our office at the end of September to continue his studies. He was accompanied by our thanks for his valuable contribution to the chamber over the last three years, and our best wishes for the future. We welcome his successor, Ms. Heike Mieles.



From left to right: Kurt Bernhard, Chairman of the Zurich Chapter of the BSCG, Werner Kuhn and Ralph Steppat from the Baden Württemberg Region of the BCCG and Howard Rosen, President of COBCOE

Several interesting BCCG events have taken place in the Autumn, including our sustaining members dinner held in Berlin and hosted by HM British Ambassador, our joint conferences with GBF on Real Estate Investments in Germany held in Düsseldorf in September, and the conference on Mobility and Communication held in Munich in October.

Our 2007 opening event will take place in Berlin on January 25th, followed by a New Year reception at the British Embassy.

Details on all events are available on our website.

## **BRITISH HELLENIC CHAMBER OF COMMERCE**

[www.bhcc.gr](http://www.bhcc.gr)

The BHCC focuses on helping British and Greek businesses to sell more. At the same time we provide an excellent business and social calendar, including our annual Back to Business BBQ in the gardens of the British Embassy residence. This Autumn has seen Princess Michael of Kent present her new book *The Serpent and the Moon* at a formal dinner and lunch with Dora Bakoyannis our new Minister of Foreign Affairs as the guest speaker.



The chamber is also supporting two international conferences in Athens – the Euromoney Conference on 1st and 2nd November and the 7th Annual PPP European Summit on 8th November.

Early December sees the BHCC involved in the first ever International Song Festival for Disabled Artists, which will involve artists from 15 countries. We will end the year with our traditional Christmas dinner and dance.

All details can be found on our website and everyone is welcome to attend. If you're visiting Greece, please drop in.

## **BRITISH CHAMBER OF COMMERCE IN HUNGARY**

[www.bcch.com](http://www.bcch.com)



This has been a busy season for the BCCH.

When the Lord Mayor of the City of London visited Hungary in early July, he addressed members of the BCCH and the Hungarian Business Leaders Forum (HBLF) at a private dinner. Alderman David Brewer CMG said: "I know that BCCH, HBLF, and UK Trade and Investment at the Embassy take every opportunity to reinforce each others' work. Yours is a model of

cooperation." He added: "The BCCH is playing an important part in pressing government in Hungary to recognise the need to slim down, improve its public services and cut red-tape. I very much support the aims of the BCCH initiative."

In August the BCCH organised a very successful seminar in association with Deloitte on the subject of forthcoming tax changes that will affect all Hungarian companies and individuals.

Together with Pricomm Hungary, the BCCH ran a business breakfast seminar on EU lobbying at the British Embassy on 6th October. Speakers included MEP Edit Herczog, Patrice Pellegrino, Senior Adviser Euro Commerce, and György Gábor, Head of EU representation in Hungary.

## **BRITISH CHAMBER OF COMMERCE FOR ITALY**

[www.britchamitaly.com](http://www.britchamitaly.com)

This has been a very eventful year for the BCCI, as we have worked hard to improve our busy calendar of events and develop our new website.



Events organised to encourage networking have included lunches, seminars, cocktail parties and dinners. Numerous high-profile speakers have addressed BCCI members, including Innocenzo Cipolletta, Chairman of UBS Corporate Finance Italia and Il Sole 24 Ore; Adrian Michaels, Financial Times correspondent; and Paolo Ciccarelli, CFO of the Borsa Italiana.



From left to right: David Crackett (BCCI President), Innocenzo Cipolletta (Chairman of UBS Corporate Finance Italia and of Il Sole 24 Ore) and Hugh Malim (Honorary BCCI Councillor)

In October, we supported the first Milan Whisky Festival in an effort to promote British products.

During the coming months the BCCI will continue to create networking opportunities. Our popular annual events will include the annual golf day and the Christmas lunch.

The new BCCI website represents a turning point for the chamber. This new marketing and promotion tool will provide more exposure for our members, plus information on British-Italian trade and how the BCCI and its members can assist with business endeavours.

The chamber's Commercial Services have seen an upsurge of activity as the result of efforts to provide these serv-

ices not only to the British and Italian markets, but to the European market as a whole. Similarly, membership of the BCCI has risen, with many members recognising the added value of sustaining membership and upgrading to this.

**BRITISH CHAMBER OF COMMERCE IN LATVIA**

[www.bccl.lv](http://www.bccl.lv)

The BCCL celebrated its 10th anniversary this year with three events at three different venues in two countries. The highlight was the gala dinner with the President of Latvia,



BCCL 10 year celebration gala with President Vaira Vike-Freiberga in the centre

Dr Vaira Vike-Freiberga, as our guest of honour.

As we start our second decade, the BCCL sets out with a completely fresh office staff. We welcome Ieva Gruzina, a graduate of the London School of Economics, who has taken over as Executive Director.

October saw the British royal visit as the BCCL welcomed Her Majesty the Queen and Prince Philip to Latvia for their first official visit.

In addition, Riga will host a trade delegation from Wales at the end of October, attended by Mr. Rhodri Morgan, First Minister for Wales. The BCCL has planned several events around this visit, including a Welsh vs. Latvian wine and cheese tasting event.

In November, we plan visits to our British members, and a joint reception at the Latvian Embassy in London with the UK Business Council.

With the NATO Summit due at the end of November, the BCCL is also looking forward to welcoming 5000 guests and the 25 visiting leaders of the NATO member countries to Riga.

**BRITISH CHAMBER OF COMMERCE IN LITHUANIA**

[www.bccl.lt](http://www.bccl.lt)



The BCCL continues to grow, with 30 new sponsors, corporate and private members joining in 2006, bringing current membership to 120.

In October 2006, Lithuania was honoured by a state visit by Her Majesty the Queen and His Royal Highness

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the Duke of Edinburgh. To celebrate this 'once in a lifetime' occasion, the chamber held a commemoration dinner for members.

On the day of the visit itself, a special event took place in the presence of the Duke of Edinburgh with a Celebration of Young British & Lithuanian Entrepreneurs, organised by the UK Trade and Investment branch at the British Embassy, the BCCL and the British Council. The main objective was to recognise the achievements of young individuals who have contributed to links between Britain and Lithuania in recent years. The Duke presented Certificates of Achievement to five nominees, and launched a new service for members and visitors on the BCCL website. Our highly-valued chamber sponsor and board members joined the group of around 50 selected guests at this exclusive event.

The chamber has also kept up its regular events: monthly breakfast technical briefings, speaker meetings, and our annual happenings including Burns Night in late January and the AGM and business reception in May.



*Distinguished guests from the UK: (second from left) Oscar-winning film director Anthony Minghella, his wife choreographer Carlyne Choa, conductor David Perry, with Chris Butler Chairman BCCL and Sandra Kleizaitė, BCCL Executive Director (far left).*

In March, the chamber invited members to an exclusive cocktail reception at the Lithuanian National Opera and Ballet Theatre with Oscar-winning film director Anthony Minghella and his wife, the choreographer Carlyne Choa. The occasion was a special premiere of Giacomo Puccini's opera "Madam Butterfly", marking the first ever collaboration between the Lithuanian National Opera and Ballet Theatre, and the English National Opera.

## BRITISH CHAMBER OF COMMERCE FOR LUXEMBOURG

[www.bcc.lu](http://www.bcc.lu)



The BCCL has had an active and successful year so far with steady membership growth; we now have around 200 members.

2006 has seen a varied mix of business events, with expert speakers focusing on current issues, as well as social events. Recent lunchtime and evening business forums addressed by government ministers and senior business figures have covered topics including: language training in Luxembourg; using your website as a marketing tool; the European budget; personal tax; the art of public speaking; and employment.



*BCCL visit to the Arcelor steel works.*

Once again, together with seven other international chambers of commerce based in Luxembourg, the BCCL organised a gala event. Our guest of honour was Luxembourg Prime Minister M. Jean-Claude Juncker.

One recent highlight was a visit to the Arcelor steel works for a presentation and tour of the plant. Social events have included a golf day, a driving day, a summer dinner-dance, and a wine-tasting/book launch.

The high level of attendance at these events provides members with an excellent opportunity for networking and entertaining clients.

## BRITISH CHAMBER OF COMMERCE IN THE SLOVAK REPUBLIC

[www.britcham.sk](http://www.britcham.sk)

Prior to the summer break, the BCCSR held a



number of highly successful events, including its fifth Annual Garden Party with the Foreign Chambers of Commerce in Slovakia. This took place in May at the President's Palace, and raised over SKK 227,000 to support the Silvia Gašparovičová Slovak Foundation.

In June, we welcomed the Head of the Representation of the European Commission in the Slovak Republic, Ms. Andrea Elscheková-Matisová, to our business breakfast.

Our AGM took place in the plush surroundings of the Ambassador's residence on 29th June, at which Peter Fecko, Mmd Public Relations, was elected Chairman.

We held three prestigious events in September:

- the Annual Golf Tournament in association with the Swedish Chamber of Commerce, under the auspices of the Swedish Ambassador;
- the Annual Sports Day in partnership with the Foreign Chambers of Commerce in Slovakia;
- a half-day wine tasting at the Stapleton-Springer Winery in the Lednice/Valtice region, generously sponsored by BAE Systems and CSOB Bank.

Our monthly business breakfasts resumed in October, when the ever popular billiards tournament also took place. The year will be rounded-off with the BCCSR's spectacular annual Christmas dinner and dance on 1st December.

## BRITISH CHAMBER OF COMMERCE IN SPAIN

[www.britishchamberspain.com](http://www.britishchamberspain.com)

It has been a busy six months for the BCCS. The newly-elected Governing Council led by our President Roger Fry CBE plans to develop the chamber strategically whilst offering a diverse and valuable variety of services to our membership.



We have bid goodbye to Sarah Stone, whose hard work and dedication during

the last five years will be greatly missed, and welcomed Charlotte Fraser-Pryne as the new National Director. The post of Regional Director for Madrid has been created in response to the increase in membership, and we are pleased to welcome Sophie Shellim to the position.

Over the last few months, the BCCS has held a variety of events ranging from meetings with government officials, golf tournaments, luncheons, dinners and cocktails, business talks and seminars.

The next few months will see us hold a reception at the British Ambassador's residence, host several cocktail events and luncheons in Madrid and Barcelona, as well as a seminar on: "The Benefits of Learning Foreign Languages in Business" in partnership with the University of Barcelona. In addition, we will hold the BCCS's first networking event in the South of Spain, and with the Council of European Chambers in Spain, organise a series of events to promote partnership and business with other European chambers of commerce.

**BRITISH-SWISS CHAMBER OF COMMERCE:**

[www.bscc.co.uk](http://www.bscc.co.uk)

The BSCC welcomed a new President on 1st September when Edgar C. Britschgi, Chairman & CEO of Young & Rubicam Switzerland, took over from outgoing President Monty Style.



Under Monty's dedicated leadership, the chamber maintained its momentum, with new regional operations started in Berne and Lucerne, and a modern, benefit-focused membership structure put into place. The BSCC's active network of political contacts now extends throughout Switzerland's national, cantonal and local governments, as well as to the EU. We are delighted that Monty will remain a member of the Steering Committee.

Edgar C. Britschgi has been an active member of the BSCC since returning to Switzerland from abroad in 2002. He is a member of the Public Affairs Commission, and has served as a Councillor and as Chairman of the Marketing Committee.

In order to meet one of the main requirements of our members: networking, we have continued to organise a large number of different events aimed at creating the

best possible networking opportunities. These have included breakfast sessions, luncheons, our annual golf tournament, various visits and private dinners.



*Edgar Britschgi, President of the BSCC*

Topics discussed at our luncheon and dinner meetings by distinguished speakers have included: "Security and economy: some current thoughts" by Swiss Federal

Councillor Schmid; "Leadership in British politics" by Ned Temko, Chief Political Correspondent of The Observer, and "World Cup 2006: Did it live up to expectations?" by Joseph S. (Sepp) Blatter, President of FIFA.

**BRITISH-ICELANDIC CHAMBER OF COMMERCE**

[http://www.verslunarrad.is/bi\\_lateral.asp?Id=598](http://www.verslunarrad.is/bi_lateral.asp?Id=598)



At a time when Icelandic corporate investment into the UK is steadily increasing, the British Icelandic Northern Trade Mission travelled from Iceland in early October to Yorkshire and gave delegates an excellent opportunity to contact a wide variety of businesses.

The mission was a cooperative effort by the BICC together with the Leeds Chamber of Commerce, Leeds Financial Services, Hull City Council and the Trade Council of Iceland.



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# EU Services Directive

*By the Rt. Hon. Ian McCartney MP,  
Minister for Trade, Investment and  
Foreign Affairs*

I am delighted to have the opportunity to work with COBCOE in my role as Minister for Trade, Investment and Foreign Affairs. With your years of experience representing business, your knowledge of European markets, and the collective know-how of 6,000 members, you have a vital insight into the challenges and opportunities of the global economy.

Recent months have thrown some of those challenges into relief. Negotiations on the Doha Development Agenda have been difficult. The US has seen a fierce debate on foreign takeovers. And in Europe, a wave of economic nationalism has led to calls to respond to globalisation by closing markets and restricting trade.

But our experience of the single market shows that open markets and open trade encourage investment, create employment and boost our economy. That is why I believe that we must respond to globalisation not by hiding from its challenges, but by embracing its opportunities.

So I warmly welcome progress on the EU Services Directive, which has the potential to open up the internal market for service providers, creating up to 600,000 new jobs and boosting the European economy by some €30 billion.

Using services - from banking, to insurance, to legal advice - is part of everyday life for individuals and businesses alike. Even when we buy goods, such as, for example, a computer, we are paying not just for the product itself but also for the services (from marketing to distribution and more besides) that went into it. With the services sector accounting for 90% of Europe's GDP, and acting as a major driver of growth and job creation, it is the backbone of the European economy.

Yet just 20% of Europe's services are traded between EU countries. We are missing a huge opportunity. And we



are missing it because regulatory and administrative barriers make it difficult for service providers who are established in one member state to offer a service elsewhere in the EU.

Take, for example, the case of the UK construction firm which invested some €17,000 in market research, employee time and business trips in an attempt to branch out into other EU markets – only to find out that the firm's UK employees would have needed to work for a locally registered company in the member state; and that despite being members of professional UK bodies, the service providers would have needed to register with the other country's professional bodies.

These are typical examples of the 90 barriers identified in the European Commission's 2002 report on the state of the internal market. Others include nationality restrictions, lengthy authorisation procedures, and a lack of information on what requirements services providers from another member state need to meet.

The Services Directive promises to change things radically. It has the potential to reduce the legal and administrative burdens on service providers,

and to oblige national governments to offer practical assistance that will make it easier for operators to do business in other member states. To give just three examples, national governments will need to:

- Create points of single contact and ensure that all information and procedures are available through electronic means. This means that for the first time EU services providers wanting to operate in another member state will be able to access all forms, and complete procedures and formalities required in other member states at a distance and through one point of contact;
- Screen their authorisation procedures to ensure that they are really necessary and in the public interest; that where they are justified they do not discriminate on the grounds of nationality; and to simplify those procedures that are retained; and
- Make authorisation schemes more transparent and accessible, e.g. by providing clear guidance on the timing of granting a licence.

Reaching the current text of the directive has been a delicate process. The views of stakeholders have been crucial in ensuring that it achieves a proper balance, opening markets to competition while protecting consumers, workers and vulnerable citizens.

Stakeholders' views will continue to be vital as the Directive approaches a crucial stage, the second reading in the European Parliament in November. I hope that COBCOE and its members will support a directive that offers them huge opportunities.

Undoubtedly, this Directive will take us to a Europe where employment is increased, where businesses and entrepreneurs can tap into new markets more easily, and where consumers benefit from more choice, higher quality of services and value for money.

For further information, please see the Department of Trade and Industry's website:

<http://www.dti.gov.uk/europe-andtrade/europe/index.html>

# UK political review

By Ned Temko,  
Chief Political Correspondent,  
The Observer

For much of the past decade, politics in Britain has been a bit like its top-league football since Roman Abramovich's multi-millions propelled Chelsea to a level on which no other club could credibly compete.

During last year's football season, what scant challenge there was to Chelsea's dominance could have come only from within Chelsea itself: the odd training-ground spat, or players' sulks about not being picked for the first team. And so it has been in politics: what opposition there has been to Tony Blair (a lot more feverish, it should be said, than anything inside Chelsea) has come from within his own Labour Party. No more.

Last December, at the age of 39, David Cameron was elected leader of the opposition Conservative Party. Months earlier, he had been a rank outsider in the contest, having been elected to Parliament only four years previously. But his polished public performances, allied with a message that after three straight election drubbings by Labour his party must 'change to win', Cameron cantered home by a wide margin. Combined with the fact that Blair had declared publicly during the 2005 election campaign that he would step down before the country next went to the polls, this meant that Britain suddenly faced the prospect of genuinely competitive national party politics again.

Months later, that competition is clearly well under way. Its eventual outcome, however, remains unclear. Britain's House of Commons is dominated by three parties: Labour, still comfortably the largest; the Tories, revived; and the smaller Liberal Democrats, who themselves ditched their leader earlier this year in favour of their venerable 64 year-old former foreign affairs spokesman, Sir Menzies Campbell. All three are in flux. Labour, of late, has been not only in flux but in crisis.

With Blair showing no hurry to abandon his campaign pledge to serve a full Parliamentary term, heir-apparent Gordon Brown, the Chancellor, and his allies were always going to be impatient. And they were. A succession of domestic policy controversies

and sleaze allegations, not to mention the running political sore of the war in Iraq, has been eating away at the party's core grassroots support and encouraged the so-called 'awkward squad' of more left-wing backbench Labour MPs to rebel against a number of Blairite policy reforms.

Cameron's new-look Tories emphasizing some distinctly un-traditional causes like environmentalism, Third World development and empathy with alienated young people, single parents and even same-sex couples have overtaken Blair and Brown in the opinion polls. But the gap varies from poll to poll, and is still not wide enough to point reliably towards victory at the next election.

And at least two potential clouds lurk on the horizon. The first is that while Cameron's media image since taking over has been nothing short of glowing, it is in the nature of both politics and the media that such honymoons have a habit of ending sooner or later. The second: the challenge of adding policy specifics to the new look of the Tories and their leader. On taking over, Cameron set up a series of policy-review groups that are due to report back next summer.

As for the Lib Dems, after a distinctly rocky beginning, Ming Campbell has steadied the ship. The party did passably well in recent local elections (the Tories did very well, and Labour slightly less badly than they'd feared) and better in recent by-elections.

But they, too, have to reckon with a pair of potential rain clouds. The first: when the two major parties are firing on anything like their full cylinders, the third party suffers. The second problem: policies, again. The Lib-Dems sound distinctly centre-right

in areas where they're fighting the Tories; centre-left when they're fighting Labour. It's a contradiction that may bite at the next general election.

There is a final irony. At a time when all three main parties are gearing up for battle in a newly competitive political arena, the genuine differences among them have been inexorably narrowing, at least on the big domestic issues. All favour modernised and locally responsible public services. All claim the mantle of economic competence in an increasingly global and competitive world. All are passionately green on the environment. And all are aware that, in common with many mature democracies, there is increasing popular disillusionment with politicians of all parties.

There is at least one policy battleground that could unfold in the months ahead: tax. On overall levels, the parties are unlikely to differ much. But Gordon Brown is deeply wedded to a centrally focused mechanism of taxation and benefits, while even the new-look Tories seem instinctively to favour a simpler system with a lighter hand. The Lib-Dems have jettisoned an electorally suicidal idea of upping the rate of income tax on the best-off, but have made it clear they will close a number of taxation loopholes in order to make the distribution of taxation fairer and ease the burden on the poorest.

Still, look for Brown increasingly to stress a business-friendly agenda, while Cameron emphasises a commitment to maintain investment in public services. Elections, both the top parties' strategists have long since concluded, are won on the centre ground.

And here's one fairly reliable prediction from the Commons press gallery: Chelsea (and oh, how it pains me, as a Tottenham Hotspur fan, to say this) will win the Premier league.

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# Creating the right conditions

By Andrew Cahn,  
Chief Executive,  
UK Trade & Investment

We all know that in order to be successful in an ever-more challenging global economy, UK businesses continually have to adapt and develop their offerings to their customers. In the same way, government must regularly re-visit and adapt its methods of helping internationally minded companies take advantage of overseas opportunities and stay one step ahead of the competition. While it is up to business to seize the opportunities that exist, it is government's role to create the environment in which business can flourish.

With this in mind, UK Trade & Investment, the government body responsible for helping UK firms trade internationally, and overseas enterprises seeking to set up or expand in the UK, has just launched a new five-year strategy. Entitled *Prosperity in a Changing World*, it aims to maximise the UK's ability to attract Foreign Direct Investment (FDI), win market share in the new high-growth economies, and help businesses internationalise in a globalised world.

## Marketing our strengths

Central to our strategy is the world-class marketing of the UK's considerable business strengths – both its strengths as a place for overseas companies to invest and those of existing UK firms as trade or investment partners. With the help of partners such as the nine English Regional Development Agencies (RDAs), the devolved administrations in Northern Ireland, Scotland and Wales, other government departments and national bodies such as VisitBritain, the British Council and key trade associations, we will conduct a thorough review of existing market research to ensure that we have the most up-to-date intelligence about the demands of overseas businesses and perceptions of the UK. Where necessary, we will conduct fresh market research – for example, in new high-growth economies or under-researched sectors.

Wherever we feel that perceptions of "Business UK" can be improved, we will undertake new and energetic marketing



activity – with UK Trade & Investment leading the effort to ensure that everything we do – from the production of marketing materials to the organisation of ministerial visits – is well planned, co-ordinated and followed up. At all times, we will ensure that the mechanisms we choose to reach our customers are the most effective and represent good value for money.

## Working with business

Our strategy also seeks to improve the effectiveness of government and business working together in partnership. We will be developing ways to give companies better access to the business insights captured by our overseas network of embassies, high commissions and consulates and increase the research we undertake in partnership with business schools. We will also create a new group, comprising both government and business representatives, to establish mechanisms for maximising the value of ministerial overseas visits and receptions.

Listening to business is of vital importance. To this end, our strategy sets out ways of improving dialogue between internationally minded UK companies and expanding overseas firms and government bodies such as ourselves. We will also be introducing a £9 million programme of intensive support to help increase the amount of business R&D undertaken in the UK.

## Re-focusing

As part of the strategy, UK Trade & Investment will allocate resources where they can be most effective in adding value to the UK economy. We will concentrate on innovative companies; on those with high R&D intensity; on high-value potential investors; on major exporters; and on exporters to emerging markets. In short, we will seek out those companies where our efforts can have the most impact and tailor our services to their requirements.

Some £5.6 million of resources will be transferred from mature markets to focus on new and dynamic economies where the UK needs to increase its impact. These include China and India, plus countries such as Brazil, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, Turkey and the UAE.

Similarly, we will heighten our already strong focus on sectors and technology clusters where we can make the most difference. These include financial services, oil and gas, ICT and biotechnology. To promote the financial services sector, for example, resources for commercial teams in China and India will be increased and a programme of overseas missions will be undertaken by ministers and the Lord Mayor of London. This will focus on both commercial opportunities and structural barriers.

I am confident that this strategy will help the UK keep ahead of the competition. UK Trade & Investment consulted widely on its development and received support from many fronts, including key business organisations such as the CBI, the British Chambers of Commerce and the Engineering Employers Federation. By clearly conveying the message about the UK's strengths as a trade and investment partner, and focusing on the sectors and markets that are crucial to the long-term prosperity of this country, I am convinced that our five-year strategy creates the right conditions for UK business success.

For more information, visit:  
[www.uktradeinvest.gov.uk](http://www.uktradeinvest.gov.uk)

# Europe's economic future

By the Rt. Hon. Stephen Timms MP,  
Chief Secretary to the Treasury

The 21st century world will be defined by globalisation, by increased trade and investment flows, and by technological change. These have been the drivers of global growth for the last fifty years, shaping our economic environment, and are set to continue to drive prosperity in the years to come.

Britain and British business now have a range of opportunities as a result - through increased competition, rising investment, and very real possibilities for grass-roots innovation. The British Chambers of Commerce play a crucial role in this new and exciting business landscape, advancing international trade and business with the United Kingdom, and promoting more competitive markets in our key trading partners, such as Europe.

Britain is in a strong position to benefit from a more integrated, global economy. We are, after all, a location of choice for world-class businesses, notable for our macroeconomic stability and flexibility, and strengths in finance, science, innovation and creativity. This builds on our long history of openness with trade links stretching across the world.

Our policy reforms have helped develop these strengths. From improving productivity performance to strengthening the environment in the UK for businesses to start up, invest and grow, we have worked hard to let business flourish.

This means increasing the flexibility of the economy to respond to change and to seize new opportunities created by globalisation; improving our skills profile and reducing regulatory burdens. It

means translating our strengths in science into commercial success.

These reforms contribute to the attractiveness of the UK as a location for international economic activity. The UK's open economy benefits from high levels of Foreign Direct Investment (FDI), putting Britain in a strong position to take advantage of globalisation. After all, FDI has important additional benefits, bringing in more than capital - through enhancing the competitive environment and enabling spill overs that boost productivity and increase the long-term growth of the economy.

Last year, we attracted more FDI than any other country in the world: over £124 billion. At over 36%, the levels in the UK are also the highest in the G7 as a percentage of GDP.

Foreign-owned firms in the UK make a very important contribution to the knowledge economy too - with nearly 20% of research and development investment from foreign-owned companies. This provides clear opportunities to benefit from technology transfer and improved management practices.

To reap the benefits of the global economy, we must build on our long tradition of openness, and market the UK's strengths across the world as best we can. On 20 July, the government launched a new five-year strategy for a step change in the drive to market the UK economy internationally. The new UKTI strategy focuses on high-growth countries with great strategic importance, such as China and India, and on innovative and R&D intensive sectors, playing to our strengths.

Of course, to realise the benefits of globalisation, we must first ensure that



global and European markets are truly open and competitive. Barriers to trade and investment distort competition and reduce opportunities for increased prosperity, and we must guard against threats to openness from "economic patriotism" and protectionism. The EU must also now strive to complete and make a reality of the Single Market, particularly in key network industries and those sectors currently shielded from competition.

Government and business must work together to make that case, as protectionist responses will only deter investment, cause higher unemployment, higher prices, and leave people defenceless against change.

Together, Europe needs to respond to globalisation: not with protectionism, but through engagement with globalising trends. Our priority is to maintain open and competitive markets in Europe, through which British business, and the British economy can go from strength to strength.

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