

CEO SUMMIT COMPANIES LEADING THE FUTURE

INDUSTRY TABLE - 17th June 9:00h
Speech by Javier Ormazabal

Good morning,

2020 could be a great year. The year everything changed.

The year we do incredible things together.

Holding this summit is already one of these incredible things, and can certainly be a first step towards a new future. And this future can be better than our recent past if we put aside our differences and overcome the difficulties together. Social actors, trade unions, employers, government and political forces must work together to overcome this crisis.

While I do not have any magic recipes, my experience both at the head of an industrial group such as Velatia and also in the Basque Business Circle has led me to focus on what I believe are the five pillars of recovery: committing to industry, restoring stability, increasing social dialogue, promoting energy transition, and consolidating digitalisation.

Showing our commitment to industry, because industry plays a decisive role in ensuring wide-ranging, sustainable recovery. Societies with an industrial sector that represents a significant part of GDP undoubtedly enjoy greater stability and higher living and welfare standards. Manufacturing in both Spain and throughout the eurozone has experienced a substantial deterioration in its economic cycle, putting at risk not only the business fabric but also the well-being of society. It is urgent to develop a policy aimed at increasing the current 14% that industry contributes to our GDP, first taking it up to the European average and from there looking to reach 20%, based always on industrial competitiveness through innovation, technology and research. In this context it is necessary to bolster our competitiveness, consolidate smartisation processes, and implement policies aimed at cutting emissions. Moreover, a stable, coordinated fiscal policy is needed among administrations in order to promote investment, along with business strategies that meet the United Nations' SDGs. Such a fiscal policy would need to balance the size and efficiency of public administrations with the need for social expenditure, striving not to discourage investment, savings and consumption.

Restoring stability. In a period of complexity, it is critical to achieve a stable environment in order to foster industrial recovery and restore the competitiveness of our economy.

And I am not just talking about Spain. ORGALIM, an association representing a third of all European industry, is calling for government stability throughout EU member states, stressing the importance of having measures that provide economic and legal security. Measures that allow steady, constant progress in order to shorten the road to recovery.

Increasing social dialogue. There is little more I can add to this action, which clearly seeks the consensus of all participants. Putting this crisis behind us requires the involvement of everybody. Something which, if I may return to Europe, European industry has recently requested from the European Commission, offering a platform that allows open dialogue and promotes close cooperation. The recent agreements reached by employers and trade unions on temporary lay-offs are certainly a valuable, symbolic precedent that could lead to a great Pact on Income Policy.

And where should we go from here?

The Green Deal, the bolstering of the Single Market and its adaptation to the digital age will be anchor points in the recovery of the European Union. This gives us some clues as to where we should be heading: **promoting energy transition and digitalisation.**

Energy transition is neither a whim nor a fad, but rather a necessity based on the commitment made by the vast majority of countries to combat the inexorable challenge of climate change. This challenge cannot wait, and can become a driving force for economic revival.

Moving towards a clean energy model means electrifying the economy, since electricity is undoubtedly the energy vector most capable of integrating renewable generation sources.

The renewed European Green Pact for the reconstruction of the economy and the National Integrated Energy and Climate Plan are the pillars on which we will build the transition to a sustainable energy model.

There are many economic sectors that need help to revive their activity. The green economy only requires a regulatory environment that provides stability and confidence. Many private investors are keen to undertake such investment in wind and photovoltaic generation plants, storage units, smart grids and electric vehicle charging infrastructure. These investments will not only help to speed up economic recovery, but will lead us to a more sustainable economic model. A new model that does not involve increasing public debt and that will, at the same time, leave a better world for our children.

Consolidating digitalisation. The crisis has already pushed us to speed up our adaptation to digital formats, something we had intended to implement more gradually. Confinement and safety measures have clearly shown us the need to promote digitalisation not only in society, but also in all levels of the economy, both in public and private infrastructure. As a country, we must commit to digitalisation in order to be competitive, develop high-added value products and services, and generate quality employment.

What lies ahead of us?

A lot of hard work. But that never scared us. And I believe that we, as businesspeople, are absolutely determined to put all our efforts and capacities into moving forward. We assume the responsibility our role involves, and we believe the welfare state and social expenditure to be indispensable social conquests, provided contributions are proportional to financial capability within a stable legal framework.

As businesspeople, we know what taking risks and assuming commitments truly means. Even so, we have not always been valued by society, possibly due to our own fault in not clearly explaining our role. But Spain's economic and industrial recovery will not be possible without our participation, and that is why we are here today, before Spanish society as a whole, to say that we are committed and we will do our best to make 2020 a great year. The year everything changed. The year we started to build a new future together.

Thank you very much.