



# LIBERATING THE POWER OF SERVICES

The Bruges European Business Conference is a joint initiative of the College of Europe's new specialisation on "European Economic Integration and Business" and Deloitte. All stakeholders expect to benefit from a thorough exchange of ideas, best-practice examples and analysis of EU-related issues of importance to European business.

## PROGRAMME

### Background and purpose

The conference will assess the regulatory and operational environment facing business, four years after the adoption of the Services (Bolkestein) Directive and one year after its entry into force. There will also be ample opportunity to address the fast-changing environment facing companies in Europe. Economists will analyse the massive contribution made by services to the European economy – and major players including Microsoft, IKEA, Randstad and easyJet will be present to discuss key issues such as the growing importance of services for manufacturing companies, cross-border mobility of workers in Europe, right of establishment and the effects of the service directive, data portability, privacy and digital content.

**Venue:** College of Europe, Dijver 9-11, Bruges.

**08.45: arrival and registration** (room B).

**09.15:** welcome by Prof. **Paul Demaret**, Rector, College of Europe (room E).

**09.20: S1. The Power of Services** (room E)

With more than 70 % of European GDP generated by services and still around 50 % by market services, the EU's single market as well as global competitiveness are mostly about services. There is a lingering myth that services can hardly or not enjoy productivity growth (which is wrong) and that services are not about innovation (which is also wrong). The services sectors are responsible for practically all the job growth in the EU and business services have proven to be critical to the competitiveness of EU's manufacturing. Although the 2006 services directive has only limited meaning for cross-border (intra-EU) services trade, it undoubtedly is significant for investment opportunities in other EU countries ('establishment') by removing atavistic restrictions and making single information windows compulsory. Multinationals are increasingly moving towards shared-services centers, a phenomenon facilitated by recent EU liberalisation and lighter regulation. The three speakers will zoom in on these services trends, relying on the newest empirical economic research.

**Chair:** **Aimé Heene**, Professor in Gent University and visiting professor in EU business and corporate strategy at the College of Europe.

**Speakers:** **Jacques Pelkmans**, Jan Tinbergen Chair and Director economics department, College of Europe; **Isabel Grilo**, European Commission, DG ECFIN and **Christian Combes**, Partner, Deloitte.

**10.30: Keynote Speech by Mr. Michel Barnier**,

European Commissioner for Internal Market and Services, followed by Q & A (room E).

**11.15: coffee break** (room B).

**11.30: S2. A Single Services' Market in a Global Economy** (room E)

For over 25 years the EU is struggling to construct a competitive, single services market. What initially looked hopeless and excruciatingly slow, now begins to affect business models and opportunities over a wide range of services markets. After first accomplishing a single transport market in the six modes (with freight rail still behind, to the detriment of numerous shippers) and a single financial services and capital market, the network industries (telecoms, postal, gas & electricity) are in their third or fourth stage of liberalisation and EU regulation, having radically improved their efficiency, if not altered their business models. Together, these developments have positively influenced the flexibility and competitiveness of manufacturing as well as other services. Professional services increasingly come under pressure to reduce restrictive ways of doing business whilst retailers and wholesalers have begun to 'europeanise' and turned to innovative ICT applications, with often drastic efficiency effects. These intra-EU developments directly support the global competitiveness of European business. What is crucial for the EU's positioning in globalisation, is the fact that competitive quality services are hard – often impossible - to relocate for reasons of low wages, thus remaining the hard core of business' competitiveness and the continent's comparative advantage. The services directive has led to a profound 'screening' of thousands of national laws (removing restrictive remnants in numerous instances) and greatly facilitates services FDI in EU countries.



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**Speakers:** **Norman Rose**, Chairman of the European Business Services Roundtable; **Paul Moore**, Communications Director, easyJet; and **Reinhard Büscher**, European Commission, DG ENTR.

**13.00: lunch** (room A/B).

**14.15: Three horizontal workshops** (rooms E, F, G).

## **W1: People Dimension of Services** (room F)

Services are delivered by people on whom the contracted service provider depends. Freedom of movement is one of the four primary pillars of the Internal Market. In this session we shall be exploring aspects of policy and practice which help and hinder those persons who are delivering services to clients. Issues will include the temporary workers, posted workers, freedom to migrate workers for third countries, delivery of professional services (including rights of establishment) and mutual recognition of qualifications. Resolution of these issues is fundamental to the development and establishment of a true single market in service provision.

**Chair:** **Norman Rose**, Chairman of the European Business Services Roundtable.

**Speakers:** **Jan de Jong**, Director for cross-border staffing, Randstad; **Dirk Bochar**, Secretary-General, European Federation of National Engineering Associations and **Jürgen Tiedje**, European Commission, DG MARKT.

## **W2: Right of Establishment** (room G)

In the services business, proximity to clients, and intimate knowledge of local habits and circumstances is often critical. Local establishment is therefore far more important than services trade at a distance. The 2006 services directive has greatly facilitated cross-border intra-EU services establishment by introducing a black list of prohibitive barriers (including the infamous "economic needs" test) and by local or national "points of single contact". In addition, European Member States have simplified and screened thousands of national and local laws doing away with discrimination and other restrictions. How this regulatory improvement in market access affects the actual business decision of establishing in another Member State? Are there many other determinants so dominant that the services directive does not make much of a difference? Or, is open market access considered as an opportunity to Europeanize one's business without regulatory uncertainty? Does it stimulate new business models in the Europeanization of services?

**Chair:** **Koen De Staercke**, EMEA Lead Partner for Consumer Products industry, Deloitte.

**Speakers:** **Martin Weiderstrand**, Manager EU Affairs, IKEA; **Jacques Derenne**, Partner, Hogan Lovells and **Maria Martin-Prat**, European Commission, DG MARKT.

## **W3: Hi-tech services** (room E)

This workshop will look at several of the key network-driven developments in Europe over the short and medium term:

- next generation access networks, which have the potential to deliver significant additional economic activity (€850 billion) as well as generate a million additional jobs; the cost of deploying such networks in Europe has been estimated at by the Commission at between €181 billion - €268 billion to reach 50% of households at 100 Mbit/s;
- the session will identify some of the remaining issues preventing the collective creation of a single market for telecommunications and services based upon on this: the success and viability of services based on next generation networks include having appropriate data protection, data retention, copyright and licensing in place, as well as providing the right environment for the private sector to invest appropriately;
- the workshop will include a specific look at the role of cloud computing, including a perspective on the impact on, and role of, small and medium sized enterprises in this space. The regulatory framework for cloud computing will also be under discussion.

**Chair:** **Erik Luysterborg**, Data Protection & Privacy Leader, Deloitte and **Paul Lee**, Director, Technology, Media and Telecommunications, Deloitte.

**Speakers:** **John Vassallo**, Vice President EU Affairs, Microsoft; **Michael Bartholomew**, Director, ETNO and **Bror Salmelin**, European Commission, DG INFSO.

**16.15: end of the conference**