News Release

WORLD ECONOMIC FORUM

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German Chancellor Merkel: Reforms are Beginning to Work and Must Continue

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- Europe ' s reforms are having a positive effect but the EU is not yet out of the woods, said Germany ' s Merkel
- The EU should conclude a pact to address competitiveness deficiencies in each economy
- Europe should aim for dynamism not at any price but dynamism that can withstand shocks
- The theme of the 43rd World Economic Forum Annual Meeting is Resilient Dynamism. For more information, visit http://wef.ch/Davos

Davos-Klosters, Switzerland, 24 January 2013 – In an address to participants on the second day of the 43rd World Economic Forum Annual Meeting, German Chancellor Angela Merkel said that reforms implemented in European economies are achieving results, but their full effects have yet to be felt. Europe has to stay the course of reform and restructuring, she said. " We are not where we want to be. We are not yet out of the woods, but we are going in the right direction. " While the euro area is still growing only modestly, the situation should improve, she reckoned. " Consolidation and growth are basically the two sides of the same coin. " The goal: to achieve dynamism as well as resilience, said Merkel. " We do not want dynamism at any price but dynamism that can withstand shocks. "

Merkel stressed the need for Europe to conclude a pact that would drive convergence in competitiveness across the European Union. This would commit members to improve certain aspects of their economy that are not up to standard. In Europe, " we want to be as competitive as possible to ensure the prosperity of our people, " the German leader declared.

Europe must also focus on persistent structural problems such as unemployment, particularly among the youth. Merkel welcomed any investors who want to give a helping hand to young people.

The 43rd World Economic Forum Annual Meeting is taking place from 23 to 27 January under the theme

Resilient Dynamism. More than 2,500 participants from over 100 countries are taking part in the Meeting.

Participants include nearly 50 heads of state or government and more than 1,500 business leaders from the

Forum ' s 1,000 Member companies, as well as Social Entrepreneurs, Global Shapers, Young Global Leaders and

representatives from civil society, media, academia and the arts.

The co-chairs of Annual Meeting 2013 are: Frederico Curado, President and Chief Executive Officer, EMBRAER, Brazil; **Muhtar A. Kent**, Chairman of the Board and Chief Executive Officer, The Coca-Cola Company, USA; **Huguette Labelle**, Chair, Transparency International, Germany; Global Agenda Council on Responsible Mineral Resources Management; **Andrew N. Liveris**, Chairman and Chief Executive Officer, The Dow Chemical Company, USA; **Atsutoshi Nishida**, Chairman of the Board, Toshiba Corporation, Japan; and **Axel A. Weber**, Chairman of the Board of Directors, UBS, Switzerland

Notes to Editors

More information about the Annual Meeting 2013 is available at http://wef.ch/davos2013

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