

It Is Time for Optimism in Europe - UK Prime Minister Cameron

28 January 2011

- Cameron calls for a change of direction and for confidence in Europe's future
- Europe needs to be bold to build the economy of the future and unleash enterprise
- It is time for a tough, transparent approach to enforce the EU's Single Market
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Davos, Switzerland, 28 January 2011 – It is time for optimism in Europe, Prime Minister David Cameron of the United Kingdom told participants at the World Economic Forum Annual Meeting 2011. Cameron called for a change of direction. "I want to make the case for optimism, for confidence in our future. We can overcome these problems, but we do need a change of direction. We have been our own worst enemy, but the power is within us to change," he said.

Business can "prosper and change" and, with Europe's leaders committed to an open market and reform, there has never been a better time to pursue this agenda. This new direction means killing off the "spectre of sovereign debt" and laying the foundation for an economy that is based not on consumption and debt, but rather one based on saving and investment. Allied to this fiscal discipline is the reform and strengthening of Europe's banks.

"To get there is not easy. Making this transformation requires painstaking work and it takes time. It involves paying down billions of pounds of debt," the prime minister said. "It is going to be tough, but we must see it through. The task is immense, but we need to be bold to build the economy of the future."

Cameron reminded participants that four years of annual growth have been wiped out, unemployment has risen to the double digits and, while recovery has begun, economies like India, Brazil and China are steaming ahead. In Europe, the drag on growth has persisted, with its share of world output projected to fall by just under one-third in the next two decades. "Above all, what we urgently need in Europe is an aggressive, pan-continental drive to unleash enterprise," he said.

Cameron called for a "tough, transparent approach" to enforce the EU's Single Market, a move he said would bring billions of euros to Europe. "Now is the time to go for a genuine Single Market ... We need boldness in Europe, not least on deregulation." It is time to put an end "to all restrictive rules" and to stop loading costs on businesses. Europe needs a "one in, one out" rule for new European regulations and to set new and tougher targets to reduce the total regulatory burden, particularly for small businesses, the engines of job creation.

Responding to a question concerning whether a single currency would better drive the prime minister's proposed change of direction, Cameron replied, "I want the euro to succeed ... Britain has real interest in Europe succeeding."

Europe must pursue an agenda of innovation, which means access to finance and venture capital, and breaking the "deadlock" on the European patent system. "The prospect for progress is there, we just have to seize it," Cameron enthused. To do this, Europe must actively and aggressively push for world trade, which involves negotiating free trade agreements with India, Canada, Latin America, the Middle East and the ASEAN bloc. He pointed to the deal struck with South Korea in October 2010, the most ambitious trade agreement ever negotiated by the EU, the first with an Asian country, and one

worth 33 billion euros to EU exporters.

“My message is one of confidence in an open trading continent with a proud record on innovation and advanced democratic values. But Europe has to earn its way. [If we] set our sights high ... if we take bold decisions in deregulation, on opening up the single market, on innovation and on trade, then together we can defy the pessimists and together we can recover our dynamism.”

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