

ALFONSO LIBANO DINNER SPEECH

Honoured guests,

I would like to start by talking about family.

Family is the basic cell of our society, its essence, its foundation. It is above institutions, peoples and nations and it is the basis of life on our planet. Family matters are of great importance in the social and economic development of the world we live in.

If we all agree with this idea, we should promote the concept of family and support all the natural consequences emanating from it, such as family businesses.

Family Businesses have a long-term sustainable commitment to society and the environment, and are natural incubators of entrepreneurship and innovation, acting as a hidden ally for progress.

Everyone considers we play a very important role, but politicians often take us for granted. They do not pay us enough attention. We need to avoid the Panda Bear syndrome, meaning that, as with the Panda, everybody loves us, but no one takes good care of us.

And that is why European Family Businesses exist.

The journey has been long.

It all started with the European Commission Recommendation on the transfer of SME's in 1994, followed by two communications in 1998 and 2006. They very well understood the necessity to protect the productive assets linked to the companies that foster employment and growth. This pushed the Member States to create a favourable fiscal and legal framework to recognise this reality.

Later on, in November 2009, the EU Commission expert group on Family Businesses published its final report and proposed for the first time a family business definition.

In 2012, the commission started a series of Tax papers on the Debt-Equity tax bias, which recognised our position on this salient issue.

In 2015, the European Parliament adopted a resolution on Family Businesses, where it recognised that family businesses are the single biggest source of employment in the private sector and, therefore, what is beneficial to continuity, renewal and growth in the family business sector is conducive to continuity, renewal and growth in the European economy;

Finally, in 2017, the results of the statistical pilot project on family business were published for seven countries among the EU28.

I would like to thank Eurostat for the data obtained and the European Parliament for its excellent report.

Throughout all these years, relations with the European Union Institutions have been close and intense, positive and constructive, but they have remained insufficient.

The shift in focus towards prioritizing the SME concept has had a limited outreach since it was not meant to encourage insufficient business size, but rather to solve the structural problems of the SMEs, which, by the way, are mainly family businesses (80% of them are).

By solving the issues affecting family businesses, not only SME challenges are tackled, but also those of larger companies that play an important role in the global economy.

By now, the need to create a new category for larger companies, the *mid sized companies*, has become evident, as well as the need to help them achieve the required critical mass to compete successfully in the global world.

On the other hand, support for start-ups has proven to be insufficient due to its low success rate. It is clearly necessary and politically attractive, although it is at odds with the fiscal policy that certain Member States apply, or intend to apply, such as the reintroduction of wealth or inheritance taxes in some countries

Ladies and gentlemen, the way to change and achieve better economic and social development is to help family businesses.

There are over 14 million family businesses in Europe that employ more than 60 million people in the private sector. Family businesses account in average for 80% of the GDP, employing more than 60% of the workforce.

They are companies of all sizes, but all of them face similar problems: the business transfer to the next generation, the debt bias in the fiscal treatment of equity, the war for talent and skills training, and the need for a favourable legal, administrative, and fiscal environment for companies to thrive.

European family businesses are the best transnational ally of the European Union. To strengthen families and their goals is to reinforce the foundations of the European project at this difficult time.

Europe must become the most dynamic, innovative, stable, and sustainable area in which to do business. Indeed, we must create a 'New Europe'.

How do we achieve this?

1. By Completing the single market
2. By Promoting long-term sustainable financing
3. By Ensuring businesses have the right skills for the future
4. By Ensuring that we encourage our family companies to grow, and, finally.,
5. By Empowering the Next-Generation

However, we still need something essential for our security and for our future, which is, once again, acknowledgement by the European Union.

PresidentTajani, Commissioner Oettinger, Ladies and Gentlemen,

Family Businesses have been recognized by the OECD in the last Interministerial Conference in February this year, and now they are suggesting that we conduct a study together.

Only two weeks ago, thanks to our friends from FBN, family businesses were invited to participate in a panel discussion in the last World Investment Forum of the United Nations

In 2015, thanks to Angelika Niebler and President Tajani, the European Parliament published a report on family businesses. While valuable recommendations were made, little action, if any, has been taken.

The report highlights how beneficial European family businesses are, so why has nothing been done by the Commission since its publication in 2015?

What else can we do to make policymakers in Europe acknowledge the single most important source of employment in the private sector?

What we need from our decision-makers is simple and clear. WE NEED A COMMUNICATION ON FAMILY BUSINESSES IN EUROPE .

One thing is for sure - you can count on family businesses to stay committed to Europe, as we have done for generations. We will keep growing and investing for the long-term.

Together we can construct the 'New Europe.'

Thank you