



INTERVENCIÓN DEL MINISTRO DE INDUSTRIA, TURISMO Y COMERCIO

SESIÓN INAUGURAL DE LA CONFERENCIA

“SPAIN US BUSINESS SUSTAINABILITY CONFERENCE”

Nueva York, 17 de Marzo

Your Highness the Prince and princess of Asturias

Ladies and gentlemen.

It is a pleasure for me to address this audience, gathering more than 100 companies from Spain and the United States. All of you specialize in three sectors with a huge potential for growth: energy, infrastructure, finance. Thank you all for coming. You are very welcome.

I want to begin by paying tribute to the work done by former Vice President Al Gore in raising public awareness towards climate change. He is now turning to the economic opportunities this greener future can bring. He will be addressing us later. Again, thank you.

The subject that gathers us here is “Business Sustainability: facing global challenges together”. And they are huge challenges indeed. The world economy is going through the most difficult period since World War II. We see rising unemployment, bankruptcies, a collapse in industrial production and recession everywhere. This global crisis need a global response, and renewable energies, infrastructure and sound finance are part of it.

There is no simple answer to the crisis, but innovation, cooperation, sustainability will certainly play a significant role. Spain and the U.S. have a good start in this path. Knowing each other better, exchanging experiences, promoting joint ventures will give us more chances of success.

President Obama has highlighted the importance of a greener economy to raise ourselves from the slump we are in. He has made of renewable energies, infrastructures, education and health four tools for recovery. They are essential not just to get out of this crisis: in fact, they are the cornerstones on which we have to build our common future. We, in Spain, share his analysis and his vision. We will be working today on some of the opportunities that this future brings.

Spain is a net importer of energy. We import almost all (a 100%) of the oil and gas we need. Our future, our way of life, our independence need safe, secure and sustainable sources energy. Renewable energies. That is why we have become, in the last few years, a leading country both in building machines to use wind and solar power and in commercially exploiting them at home and abroad. Spain has the third largest wind power capacity installed in the world, behind the U.S. and Germany, and the second in Europe. And we are growing fast: we will have 40.000 MW installed in on-shore wind farms, plus 5.000 additional megawatts in offshore facilities by 2030. We are world leaders in per-capita production of

wind power. And our companies are global leaders in wind park development and management all over the world.

Spanish investors have also been turning to the sun, spending an estimated €2bn in the past seven years in a drive that is already starting to produce visible results. As a consequence, our country is the fourth country in the world in solar installed capacity. We will have more than 1200 MW of installed photovoltaic capacity by 2010

Following the path the USA started, Spain has made huge steps forward in thermo-electric solar power, in both commercial projects and new technological solutions in place.

The same can be said of biofuels, where we have, among others, the largest producer of bioalcohol in Europe, again with a huge operation in the States.

Our goal is to cover 20% of our energy needs from renewable energies by 2020. That means 40% of the electricity generated. In fact, in the last month, 30% of our total electricity output came from renewable sources, not including nuclear. To make this possible in a changing world, with oil prices going from 30 to 140 \$ a barrel in a single year, you need to have some kind of a level playing field, good regulation, and a long term public commitment to make these energies profitable. This is something we, as a Government, have some experience we can share.

Infrastructure is definitely another key sector, and not just for recovery. Infrastructure is a bet on the future. It does not only provide productive jobs and contributes to the GDP: it helps to create a more integrated market that benefits from economies of scale, and push technological, financial and management skills to the limit.

Our country has experienced a deep transformation in the quantity and quality of our infrastructures. We are not a big country. With just over 500.000 square kilometres, we are about a twentieth of the United States in surface. Nevertheless, we now have more than eleven hundred miles of high-speed railways, with trains going as fast as 200 miles per hour. By the year 2020, we will have more than 6.000 miles in operation, with an investment of approximately 109 billion euros. If the public budget for infrastructure amounts to 20 billion euros, 75% of this amount will be invested on railways and highways.

As a result of this significant drive to strengthen our infrastructures, Spanish building companies are among the first in the world. Six out of ten of the largest global companies specialized in infrastructure and transport are from Spain. Here, in the States, these companies infrastructure investment now amounts to more than a billion U.S. dollars.

Spanish companies have vast experience in the building of infrastructures, both at home and abroad. Moreover, to do so, they had to provide financial solutions that would allow their financing without unduly burdening public budgets or the. The solution is widely known as P.P.P. (Public Private Partnership). Our construction companies are involved in P.P.P. all over the world, and our sound financial companies are helping them along the way.

In the last ten years, the American and the Spanish economies have been two of the most dynamic within the OECD. We both had growth rates and job creation considerably higher than most other advanced economies. In fact, Spain has experienced sustained positive growth over the last 15 year. We are now the world's eight-largest economy, and the fifth provider of foreign direct investment. Spanish companies have become global leaders in infrastructure building, engineering and management, aerospace, renewable energies, finance services or other more traditional industries such as automobile, tourism, or food. Our investment in R&D is growing faster than the European average.

During this growing stage, an important build-up of the economic relations between Spain and the United States has taken place. Spanish companies rank now among the most dynamic investors in the American market. The United States are the third investment receptor of Spanish direct investment, representing 18% of our total investment abroad. On the other hand, the US is the first investor in Spain, with a stock of investment above 55 billion dollars that represents 18.4% of the Foreign Direct Investment in Spain.

We are living now in the middle of a global crisis. We have a hard struggle ahead. But encounters like this one lead us to be optimistic about our future. There are many business areas in which Spanish companies are willing to collaborate with U.S. companies, and many sectors in which American companies can continue doing business in Spain. Our economies will certainly profit from this cooperation and recover their dynamism.

To help our companies in this market, and in order to profit from their experience and image, we are launching, with this and other events. the Made in/Made by Spain Plan. We expect that, with your help, American companies will, from now on, look to Spain, to Spanish companies, when thinking about the significant investments we all will need to get out of the current crisis.

I would like to finish thanking you all for attending this conference. I am certain it will become another fruitful step in a long-lasting relationship between the Spanish and the American business community.

Thank you very much.