

Message from the Chairman of the Spanish Confederation of Employers' Organizations

Gerardo Díaz Ferrán, *Chairman of the Spanish Confederation of Employers' Organizations (CEOE), Madrid*

President of CIFA

President of the National Association of Financial Advisers

Secretary General of CIFA

Ambassador of Switzerland to Spain

Deputy Minister of Economy of the Community of Madrid

Chairman of the Organizing Committee of the VIII International Forum

It is an honor and a pleasure to be here among all of you participating in the inauguration of the VIII International CIFA Forum.

For the interest of the issues to be discussed and the prestige of the speakers, I am sure that this convention will contribute to strengthen the importance of this international organization which has the honor of being recognized by Economic and Social Council of the UN as an NGO with special consultative status.

What is more, this Forum will be held in Madrid, a city characterized by its great economic dynamism and its importance as a financial centre. The concentration of financial institutions and markets, of collective investment firms and insurance companies in the city gives it a national and international leadership. In addition, Madrid is home to the domestic stock market operator, Spanish Bolsas y Mercados (BME) and to the regulatory and supervisory agencies in the sector: the Bank of Spain, and the National Securities Market Commission, as well as to the General Direction of Insurance and Pension Funds and the Financial Policy Department and the Treasury.

I congratulate the Madrid Financial Centre platform for its laudable mission to develop the financial sector activity and to promote the Community of Madrid as an international financial centre. The financial sector is one of the fundamental pillars for the growth of any economy. The best business ideas, the greatest projects would be impossible without a financial system that made available to entrepreneurs the resources needed to realize their dreams.

In a globalized world in which funds come from all over the world, the financial system also disciplines the economic policies of governments. This financial crisis has taught us the importance of having good professionals in the financial sector. Professionals capable of giving honest opinions to guide investors' decisions. The vast majority of professionals in

this industry have proven their integrity and professionalism. The important thing is to have good independent professionals that can provide the best possible advice to their clients. In Spain we have a large number of financial experts that offer high quality services to Spanish companies and compare very well internationally.

The Spanish financial system has shown greater strength relative to other countries. In part due to a more prudent policy of risk management by our financial institutions, and partly by the action of some of our regulatory authorities which have learned the lessons of past crises. But the depth of the crisis, and the special situation of the real estate sector in Spain also require a reordering of the financial system. In this sense, it is imperative that the process be accelerated, and be carried out solely on the basis of technical criteria of national interest, without political interference. The restructuring of the financial system is essential in order for the credit to flow again to businesses and families, as without credit, it is impossible to return to economic growth.

In a Financial Forum as the one we are in today, I cannot refrain from commenting on the events that take place right now in the markets. The Greek crisis has triggered a series of questions about facts that were unquestionable just a few months ago. In this regard, I would like to recall a number of issues:

- Spanish entrepreneurs, and all of Spanish society, are firmly committed to the project of European integration and the Single Currency. The Euro is a strong currency and we will continue to belong to the Euro Zone.
- Second, we must remember that each country has its own characteristics. Greece has problems other than Portugal, Italy and Belgium, which are different to Spain. There are no common problems to these economies.
- The market is showing its concern about the sustainability of public debt of a group of countries, including Spain. In this regard, it should be noted that the Spanish public debt level is still low, and we have room, therefore, to make the necessary reforms, but I appeal to the Spanish Government to urgently undertake the policies necessary for Spain to stop being perceived as a risk. Time is running out and, without a thorough reform of public finances, more rapid and substantial progress in the management of the financial system and without a major reform in the labour market, it will be very difficult to restore confidence in the Spanish assets.
- We need growth to create jobs, reduce the deficit and ensure payment to our creditors. But economic growth does not come by itself, it is not enough to wait for the international recovery, bold policies are required, immediate and compelling. Policies that encourage the creation and the development of companies, policies that promote the hiring of new workers and policies to ensure that the public sector will not absorb increasing amounts of resources. Policies, ultimately, which bring back the internal and external confidence in the Spanish economy.

These and many other proposals have been worked on by the CEOE with the collaboration of all our organizations, both sectorial and territorial, and have been communicated to the Government, the political parties, autonomous regions and municipalities.

Entrepreneurs have never waited for the solutions come from outside, but as we've always done, we set to work with high-mindedness, in order to get Spain back on the path of growth and job creation with the efforts of all.

Yourselves, with your continuous work and with this wonderful Forum, are doing the same: to contribute to the extent of your capabilities to improve the fundamental role of today's financial advisor.

I thank you very much and I wish you all to celebrate your ninth Forum next year with the same success as the one that brings us here today.
