



MINISTÈRE DE L'ÉCONOMIE
ET DES FINANCES

World Government Summit

**Discours de Bruno Le Maire,
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Ladies and Gentlemen,

I am happy to take the floor today in the impressive city of Dubai, in front of such a distinguished audience, on the occasion of the opening of the World Government Summit (WGS).

I) France-UAE : strategic partners

To start, I would like to thank His Highness **Sheikh Mohammed Bin Zayed Al Nahyan**, Crown Prince of Abu Dhabi, for his warm welcome yesterday in Abu Dhabi.

As you know, France and the United Arab Emirates (UAE) are strategic partners since the creation of the Federation. As a French Finance minister, I am here to recall that we want to strengthen that partnership, and that we believe in the future of our relationship.

I also would like to thank His Highness **Sheikh Mohammed Bin Rashed Al Maktoum**, Prime minister of the UAE and Ruler of Dubai, and the Minister of State **Omar Al Olama** for their invitation to my first WGS.

The development of your country is incredible, especially in the field of economy. I believe that the UAE will play an increasing role in the 21st century.

II) France's attractiveness

Last year, the French Prime Minister took the floor in this very place and he explained the choices of openness and economic transformation made by our government after the election of President **Emmanuel Macron**.

An enormous amount has been achieved in the first 18 months of this Presidency. We made essential reforms in the areas of labour law, taxation, education, and training. The results are there: the meeting Choose France with the most important CEO's of the world held last month in Versailles highlighted how much France's image has changed over the past two years.



With **President Macron**, we remain fully determined to move forward, and to continue to implement structural reforms to make France even more attractive to foreign investments. We will stand firm. We will complete the reforms. And we will succeed.

In the next weeks, our Parliament will vote a law to help our small and medium-sized enterprises (SME) to grow. We will also sell the biggest amount of public assets, notably with the privatization of Aéroports de Paris.

Yes, since 2017, France is back. And 2019 will be a key year for us.

III) G7, new capitalism

This year, France will have the presidency of the G7. What are our priorities for this G7?

Capitalism, as an economic model, has proved to be extraordinarily successful for decades. It has taken millions of people out of poverty. And it has ensured, year after year, an improvement in living standards in many countries around the world.

But let's open our eyes: capitalism is no longer delivering on its promises. Many people feel left behind, or left out. We believe we need to create a new and fairer capitalism.

The changes the world economy is experiencing are all calling into question capitalism as we know it. The rise - at an astonishing pace - of China with its own unique development model, the impact of digitalization on all aspects of the economy such as competition, tax, and data; the impact of climate change and the transition to a greener economy; and the calling into question of multilateral rules are trends which radically change the world as we knew it before the financial crisis of 2008.

Wealth is more and more concentrated. Inequalities are increasing. And in developed countries, standards of living have been stagnating for a decade.

We are at a crossroads. And the choice is simple: the illusive solution is to turn on ourselves, to try and rely on our own national resources, to close borders and erect barriers. But this will lead nowhere.



To meet that challenge, our 3 key priorities for the G7 are the following:

1. A fairer global taxation system

People accept to pay taxes when they see how they are being used and when they feel that they are being taxed fairly. If some pay and others don't, it obviously leads to a deep sense of injustice. This is a massive problem today.

Multinational companies pay less taxes than SMEs. And internet giants, the so-called GAFAs, pay even less than corporate multinationals. Tax evasion and aggressive tax avoidance are still very much in the picture. As well as far too many tax havens and jurisdictions with very low tax rates.

That's why France is at the frontline for a fair taxation of internet giants. We hope we can agree to a European solution in March. In the next weeks, we will also act at a national level by creating a digital tax in the French law, as well as Spain, Italy, United Kingdom or Austria will do. But we need to accelerate work at a global level. There has been an important progress in the last few weeks: we need to keep up the momentum.

We also need an effective minimum corporate tax in all developed countries. Today, some companies still have their headquarters located in a tax haven or in a country with a low corporate tax level, but with subsidiaries in France. There has always been tax competition between countries. Tax competition is not bad as such, as it encourages countries to be more competitive. But zero tax jurisdictions allow companies to circumvent tax fully. And this is unacceptable. G7 countries are all aware of this. Now we need to make change happen.

2. A level playing field for responsible investments

The second priority is to define investment rules that are shared by all big economic powers.

Today, when France invests in developing countries, and when it provides a loans guarantee for example, we check the impact (of that loan) on the level of country's indebtedness and we ensure we are not investing in such a way which could lead to over-indebtedness and in difficulties in repayment.



Some countries do not do the same. As a result, a few years later, the developing country is not in a position to repay its loans and becomes *de facto* a vassal of its lender. This is not for the benefit of the country. And it's unfair to those companies that are promoting responsible investments and want to compete globally

3. The third priority is how we tackle inequalities – between and within countries

Inequality is perhaps best illustrated by wage inequality – between the best paid and lowest paid, but also between men and women.

We need more transparency. This is what we are doing in France in our law. Companies will need to report on the median wage within their company. Good indicators too can help change the mindset by highlighting inequalities help reduce them. We want to see with other G7 countries what can be done at a global level to develop such a transparency.

IV) Make Europe stronger

To conclude, a last word about Europe. In Europe, France is back too. For two years, with **Emmanuel Macron**, France calls for a new step in the European construction.

We want to deepen the Eurozone with the creation of a Eurozone budget. Last June in Meseberg, we found an historical agreement with Germany on this idea of a Eurozone budget. Tomorrow I will be in Brussels for the monthly meeting of the Eurogroup. Of course, the on-going debates within the Eurogroup is vivid, this is normal, this is how Europe works, but this budget will be created in 2021, and we will start thereafter a new phase for our economic and monetary union.

Shared by 19 countries, the euro is the biggest success of the European construction for the last 20 years.

Now we have to look for the next 20 years. What is our objective? Make the euro a world reference currency for all the foreign investors.



The EU also needs a lot of changes. Some rules are outdated. You may have followed what happened this week with the refused merger of Alstom and Siemens. France and Germany regret the decision of the Commission. Our conclusion is that the European competition rules are outdated. In the European election, we will strongly campaign for a renewal of the European competition law for the next Commission.

Let me be clear: this is not a question of ideology. This is a question of reality. The world economy is more brutal and less fair. We want Europe and European companies to have all the tools to compete and to succeed.

To conclude, this a moment of truth for the world as we know it, as I knew it 20 years ago as a young diplomat working with **Jacques Chirac**.

As the motto of this World Government Summit states, we are here, Governments are here, to “shape the future”. So let us try, all together, to seize the opportunity of the current challenges we face to reshape a fairer capitalism for the 21st century. Europe will be there. France will be there.

I urge you to join, for the sake of making the world better.

Thank you.