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## Speech by Prime Minister Guy Verhofstadt to the Indian Community

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Ladies and Gentlemen, When I visited India four years ago, as the President of the European Union, I was warmly welcomed with the word "namasté". My knowledge of Indian dialects is rather limited but I heard that this word meant "welcome" in Gudjarati. I have been told that the Indian Community in Antwerp also speaks that language. So, now, I am also glad to tell you "namasté". Ladies and Gentlemen, Belgium and India are really different as far as geography is concerned. India is almost a hundred times as large as Belgium in terms of surface and population. The challenges faced by both countries are also very different. The average age of Indians is 24, whereas it amounts 40 in Belgium. The big challenge of Europe, that is the ageing of the population, does not exist in India. During the world economic crisis of the last years, Europe recorded a really slight economic growth. On the other hand, in India, the growth reached more than 4%, even in 2002, during the so-called "year of disaster". Despite those differences, both countries play a prominent role in each other's economy. Little Belgium ranks just after the United States as the most important import partner of India. It is due to one important sector, one important product: diamond. As the Prime Minister of Belgium, the last thing to do is obviously to underestimate the diamond sector. Diamond is not only worldwide responsible for a huge turnover; it also involves thirty thousands jobs in Antwerp. At a time when work remains the number one priority, those jobs represent a high value for Belgium. That is why I found advisable to meet the "De Beers" group a few months ago. This productive meeting resulted in a commitment from both parties. The "De Beers" group committed itself to staying in Antwerp and to making further investment, whereas we committed ourselves to keeping giving the same opportunities to the sector as in the past, which enabled the diamond sector in Belgium to reach the top of the world. Remaining at the top is a conscious strategy; due to the world competition, it actually seems to be the only possible strategy. Therefore we are proud to be the homeland of the world top companies in many sectors. A few days ago, Interbrew, a brewery established in Leuven, became the world's biggest brewery after having merged with AmBev. It is known that the best quality chocolate makers live in Belgium. We are also said to be the best "French fries makers". The mix of those elements can help Belgium attract the best businessmen and companies in other sectors. In that view, I am so happy and grateful because the top-level Indian diamond companies chose Belgium to establish themselves. The fact that about one third of the Indian Community has acquired in the meanwhile the Belgian nationality is not only due to the high quality of life in Belgium but it means above all that you keep having faith in the future opportunities of the Belgian economy. I want to thank you for that because that confidence might not be so obvious. Hand in hand, we had to work hard in order to keep the engine of our economy running after the tragic events of September 11, 2001. With the Belgian government, we had to devote all our strengths to the tax reduction, whereas our neighbouring countries were increasing taxes. One of the positive results of that tax reduction was that the consumer gave a new impulse to the Belgian economy at the end of 2003. That phenomenon was to be noticed in the diamond sector if we have a look at the results of the first trimester of 2004. Another concrete measure we took is the tax amnesty that will be implemented at cruising speed in the second half of 2004 and that will bring along new investment in our economy. Nevertheless the challenges to meet remain huge. Let us just think about the comparison between the growth statistics of Europe and India. Europe is indeed coming to a standstill, whereas India's growth is really noticeable, even during difficult economic periods. The Indian demography's figures tell us that that country will keep growing. Those prospects are of course particularly encouraging. Nevertheless if Europe does not want to be relegated to the background but wants to stay a region with a good quality

of life, it is high time to make choices. Either we reconcile ourselves to make a museum of our country, as an Indian professor said lately, or we take our responsibilities and we carry out reforms. Even though I like visiting museums, I would prefer not to live in it. The Belgian Government chose the second option; we chose the way of reforms. That is the reason why we organise extraordinary two-day Councils of Ministers. Therefore we take concrete decisions with a view to making our economy more open and stronger. That is why we stand in favour of the creation of 200,000 jobs. Therefore we make our best to enable Belgium to welcome world top companies from different sectors. Ladies and Gentlemen, It is a great pleasure for me to underline that you work and live in Antwerp, in Belgium. You are an important actor of our economy and as a result, of our future. You can be sure that I will keep carrying out reforms in the next months and years. For the Indian Community and for each inhabitant of Belgium, I commit myself to guarantee that this country will stay a most attractive place to live and to work, today and in the future.