

Third Annual Transatlantic Business Conference

The Transatlantic Marketplace – Challenges and Opportunities Beyond 2009



Jean-Claude Trichet,
President,
European Central Bank



Philip D. Murphy,
US Ambassador
to Germany



Robert J. Shiller,
Arthur M. Okun
Professor of Economics,
Yale University

(Get Your) Act Together

A “roller coaster of a year” is coming to a close, observed Fred B. Irwin, President of AmCham Germany, in his opening remarks at the Third Transatlantic Business Conference. And for those who attended it, the conference not only helped commemorate the ride, it also took important steps toward paving the road for a new start in 2010.

With the transatlantic marketplace facing an array of pressing issues, the November conference delved into many important debates. From key regulatory questions to the commercial viability of environmentally conscious technologies to the reregulation of financial markets, the central topics of 2009 and beyond formed the focal points of the event. Jointly organized by the F.A.Z.-Institut and AmCham Germany in cooperation with the Federation of German Industries (BDI) and the TransAtlantic Business Dialogue (TABD), the two-day conference opened on Nov. 11 with an evening reception high above Frankfurt in the Commerzbank Tower. A similarly high-level discussion was moderated by Klaus-Dieter Frankenberger, Senior Editor for Foreign Affairs at the Frankfurter Allgemeine Zeitung. Asking the

panelists where transatlantic relations were headed, Frankenberger received an almost unanimous reply: Europe and the United States have to act together if pressing global issues are to be solved – but first, Europe has to get its own act together if it wants to be taken seriously.

A Shift of Gravitational Centers

“In the crisis, we see a shift of the world’s gravitational centers toward Washington and Beijing,” observed Friedrich Merz, Chairman of Atlantik-Brücke e.V. and Partner at Mayer Brown LLP. Karsten D. Voigt, German Government Coordinator for German-American Cooperation, seconded immediately, stressing that “Germany has to be an active proponent of closer European collaboration, otherwise we will just not be heard.”

While the German panelists took a critical view of their country, it took an American, William M. Drozdiak, President of the American Council on Germany in New York, to point out some positive aspects: “Europe remains a role model for fresh ideas and new ways of global governance that is admired all over the world,” he said to a crowd of executives and politicians that filled the room on the 49th floor to the last available spot.

Following the panel discussion, guests and participants engaged in lively debates, networking over drinks and finger food with the stunning view of Frankfurt at night in the background. “This is what I love about Frankfurt,” said one guest from Munich. “Nowhere else in Germany do you get such a high-level and yet down-to-earth community to gather in such an exclusive spot, truly combining business with fun.”

“Europe has to get its act together soon if it wants to be taken seriously in Washington.”

Friedrich Merz, Chairman, Atlantik-Brücke e.V., and Partner, Mayer Brown LLP

“There is a sense of disappointment with President Obama that was inevitable because people just projected too much onto him.”

William M. Drozdiak, President, American Council on Germany, New York

“Now is the time for bold, innovative action by governments and businesses alike to rebuild confidence in our economic system.”

Philip D. Murphy, US Ambassador to Germany

“In the chemical industry, neither management nor employees would appreciate the massive state involvement we have seen in the car industry.”

Dr. Kurt Bock, Chief Financial Officer, BASF SE, Chairman and Chief Executive Officer, BASF Corporation

“The targets for CO₂ reduction are extremely challenging. But it can be done, and it can be done profitably.”

Graham Smith, Senior Vice President, External Affairs, Toyota Motor Europe

“Much of our recovery programs seems to be based on the concept of ‘more of the same’... I just cannot believe this.”

Robert J. Shiller, Arthur M. Okun Professor of Economics, Yale University

“We have to detoxify the term securitization.”

Torsten Hinrichs, Managing Director, Standard & Poor's

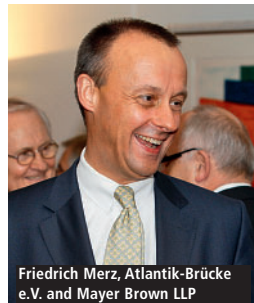
And the two-day event was just warming up. The main conference day on Nov. 12 attracted over 300 business leaders to the Marriott Hotel Frankfurt and immediately launched into the nitty-gritty of transatlantic business relations. The new US Ambassador to Germany, Philip D. Murphy, opened the day by calling for a new form of “enlightened capitalism” that would combine American innovativeness with German-style social security. “The two do not exclude each other,” Murphy asserted. In remarks following Murphy’s, Dr. Bernd Pfaffenbach, State Secretary in the Federal Ministry of Economics and Technology, stressed that the transatlantic marketplace still formed the backbone of the global economy. He also admitted there was a “conflict of goals” in terms of lowering public debt and reviving national economies, paving the way for the first panel discussion on key regulatory issues for 2010.

Carsten Knop, Senior Business Editor at the Frankfurter Allgemeine Zeitung, opened the panel by asking for participants’ views on Opel, sparking a controversial debate: “It’s not for the German government to mess with the market, so the decision by GM not to sell Opel after all is absolutely acceptable,” asserted Jürgen R. Thumann, President of BusinessEurope, Vice President of BDI and Co-Chair of TABD, prompting Pfaffenbach to shoot back, “It’s not exactly like the survival of GM was market driven either, was it?” Addressing even bigger issues, all

panelists agreed that China was still on the rise. Still, Mark Schneider, Chairman of the Management Board of Fresenius SE, added a warning for placing too much hope in China: “Fast-growing economies build up extreme imbalances and sooner or later suffer from severe recessions that will hurt anyone relying on them too much.”

Technology Can Deliver

Other big issues like climate change and the financial crisis were also on the conference’s agenda. Dr. Günther Burghardt, Senior Counsel at Mayer Brown LLP, centered a discussion on environmentally conscious technologies around the question of commercial viability. Remarkably, the most encouraging reply came from a car producer: “Technology can definitely deliver against the requirements of carbon-dioxide reduction. It can be done, and it can be done profitably,” stated Graham Smith, Senior Vice President, External Affairs, at Toyota Motor Europe. Dr. Peter Höpfe, Head of Geo Risks Research at Munich Re Group, took a more critical stance, pointing out that “even if we stop emitting any CO₂ right now, climate change will continue.” In Höpfe’s view, the United States is one of the countries most negatively affected and yet “seems the least interested in the topic.” Dr. Nikolaus Benz, Managing Director of Schott Solar CSP GmbH, did not share this view, and observed,



Friedrich Merz, Atlantik-Brücke e.V. and Mayer Brown LLP



State Secretary Dr. Bernd Pfaffenbach, Federal Ministry of Economics and Technology, and Fred B. Irwin, President, AmCham Germany



Dr. Eric Strutz, Commerzbank AG



William M. Drozdiak, American Council on Germany in New York, and Klaus-Dieter Frankenberger, Frankfurter Allgemeine Zeitung



Myron Brilliant, US Chamber of Commerce



Dr. Kurt Bock, BASF SE and BASF Corporation



Mark Schneider, Fresenius SE



Jürgen R. Thumann, BusinessEurope, BDI and TABD



Dr. Mark C. Hilgard, Mayer Brown LLP



Oliver Passavant, Jones Day



As one of five workshops, the seminar organized by the Dräger Foundation discussed potentials for growth and employment in green technologies, bringing in an impressive panel of specialists.



Conference speakers held the audience's rapt attention throughout the day.



Alexander Hoffmann, Genworth Financial



Many participants seized the opportunity to join the discussions.

Workshop Sessions: Opportunities in the Transatlantic Marketplace

While the conference's panel discussions were primarily designed to give strategic inspiration, five workshops provided participants with the opportunity to sink their teeth into daily business issues. Topics included financing renewable-energy projects, corporate governance, financial security for consumers and the liability of management and supervisory boards.

The financial and economic crisis might be on everybody's minds right now, but what needs to be on everybody's agenda is how to run a company properly and within the legal framework. Deloitte & Touche GmbH's seminar on corporate governance in turbulent times and Mayer Brown LLP's workshop on liability of management and supervisory boards both tackled these issues. In times like these, "good corporate governance is more important than ever to ensure a company's success," said Stefan Fröhlich, Partner at Deloitte & Touche. Annette Petow from the Institute for Corporate Governance at the University of Witten/Herdecke concurred, and Andrew H. Simon, on the nomination and strategy committees of the SGL Carbon SE Supervisory Board, provided examples from his daily experience.



Stefan Fröhlich, Deloitte & Touche GmbH

No less important for internationally active companies is the question of liability of management and supervisory boards, which can vary greatly in different countries. Mayer Brown LLP dedicated a special workshop to this issue, bringing in a team of four partners to offer a full range of first-hand advice to participants.

Focusing less on a company's internal challenges and more on

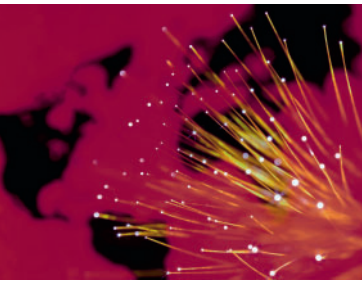
consumers, Alexander Hoffmann, Country Manager at Genworth Financial, offered a workshop on helping consumers achieve financial security. Echoing Shiller's remarks in his keynote speech earlier in the day, Hoffmann presented the 2009 findings of the Genworth Index, a measure of consumer financial vulnerability in key markets in Europe and the United States, and sketched out solutions for helping them maintain financial stability during economic shocks.

Tying into the conference's panel discussion on climate change, the Dräger Foundation held a session on the potential for growth in transatlantic cooperation in green technologies, while Jones Day discussed renewable energies and opportunities for German companies in Europe and the United States. Like all the other workshops, these were

packed with participants eager to learn more about challenges and, more importantly, opportunities in this growing sector. Professor Michael Eilfort, Director of the Stiftung Marktwirtschaft, shared his insights in the Dräger Foundation workshop along with Reinhard Bütikofer, MEP and Vice President of the Green Party/EFA Group in the European Parliament.

Focusing on implementation, three partners from Jones Day addressed the challenges of coordinating and financing projects in renewables. Oliver Passavant, Partner at Jones Day, stressed that despite the economic crisis, the market for solar, wind and other renewable-energy projects keeps growing. With this positive final note, the workshop reflected the general theme of the conference: know the challenges, seize the opportunities.

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“a tremendously increased interest in green technologies in the United States in recent years.”

Animated discussions of these controversial views continued into the lunch break, and a number of participants even drafted new ideas for joint projects, reflecting the conference’s subtitle of challenges and, more importantly, opportunities in transatlantic relations.

The Alphabet Soup of Financial Regulation

Then Professor Robert J. Shiller, author of several books on the financial crisis and, in Irwin’s words, “one of the most influential economists of our time,” took the stage. And indeed, Shiller’s speech and the ensuing discussion with Dr. Friedhelm Kläs of Deloitte & Touche proved insightful, amusing and enjoyable. Shiller warned of an “apparent recovery” not driven by fundamentals and stressed that regulatory initiatives must not simply “stir up the alphabet soup” – that is, give new acronyms to old concepts. “What we need for financial markets is proper consumer protection,” he stated.

The final panel of the day, moderated by Alison Smale, Executive Editor of the International Herald Tribune, further elaborated on these concerns. “We need to get away from cheap money, or we will run right into the next bubble,” said Dr. Jörg Krämer, Chief Economist of Commerzbank AG. Self-critical words also came from Torsten

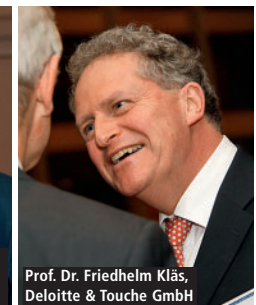
Hinrichs, Managing Director of Standard & Poor’s, who said that rating agencies were “deeply disappointed” with their role in the crisis, also calling for a “detoxification” of the term securitization. Roland W. Chalons-Browne, President and CEO of Siemens Financial Services, Inc., spoke up against the current “banker bashing,” noting that “in many cases, investors simply did not want to hear about the inherent risks of securities.”

Such a line-up of prominent speakers and panelists would have been enough for two conferences, some participants were heard to say, but there was still more to come: Another round of workshops preceded the final highlight, the AmCham Germany President’s Dinner with Jean-Claude Trichet, President of the European Central Bank. Trichet retold the story of the euro’s success, also discussing more recent challenges. “The euro was not designed to rival the dollar as a global reserve currency,” he said, “but simply as a strong currency to support the European single market. And it is a full success.”

Trichet’s confident, optimistic words closed the Third Annual Transatlantic Business Conference, leaving participants energized by the wide-ranging discussions, debates and networking that even sparked the spontaneous drafting of new business ideas by some. If 2009 was a “roller coaster of a year,” then the 2009 Transatlantic Business Conference met its promise of putting participants back on the right track. ■



Otmar W. Debold, Deutsche P&G Unternehmensbeteiligung GmbH; Dr. Lutz Raettig, Morgan Stanley Bank AG; Volker Sach, F.A.Z.-Institut; Ernst Wilhelm Frings, PricewaterhouseCoopers AG; Jean-Claude Trichet, European Central Bank



Prof. Dr. Friedhelm Kläs, Deloitte & Touche GmbH



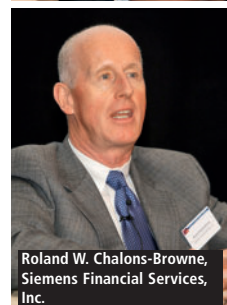
Alison Smale, International Herald Tribune



Dr. Günter Burghardt, Mayer Brown LLP



Timothy Juliani, Pew Center on Global Climate Change



Roland W. Chalons-Browne, Siemens Financial Services, Inc.



Lawrence Rosen, Deutsche Post AG



Torsten Hinrichs, Standard & Poor’s



Dr. Stephan Unterberger, Zurich Financial Services, and Dr. Jörg Krämer, Commerzbank AG