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Why I'm 'in' and speaking out

[#EU](#) [#StrongerIn](#)

So this is it. We know the date of the Referendum and our future relationship with the EU will soon be decided.

I enjoyed taking part in a BBC1 'In or Out' debate last night and I have spent a lot of time talking and thinking about the arguments for either side for many months now. When you are immersed in the detail like that, it is helpful to go back to the fundamental arguments. That is what this blog is about - to try and distill the arguments down to some fairly simple and key facts as I see them.

Our views are invariably shaped by our background and environment and I freely admit that as someone who came to the UK from Austria and Germany over 40 years ago, I have a strong emotional commitment to the idea of European countries working together for their mutual benefit.

But I am also a business person and having spent 30 years working in the UK, always across EU markets, and now as head of Siemens in the UK, there are some hard-headed business reasons, both positive and negative, why I think we are stronger in.

- EU membership for us, makes Britain a better place to do business, through free trade, collaboration in research and development and being able to better influence the destiny of our UK based industries.
- UK business is better served by being influential in defining the future direction of the key industries in Europe. This can only be done from within. Outside, our impact and hence the potential to grow our business here in the UK will be marginalised. The future of digitalisation, which will be the foundation of the 4th Industrial revolution is a key example. We can get on the inside, drive the standards and innovation and let British industry thrive within it. Or we can leave the EU and hope that the people in the EU will set the direction in the best interest of British business. But that sounds very naive to me, and generally speaking doing business on the margins and without influence doesn't turn out well.
- Brexit would hit business with significant uncertainty in already extremely uncertain times. Uncertainty is always a killer for investment and jobs.
- Free movement of people works both ways. The majority of our Siemens UK employees (93%) are British, but we do have skills gaps which we fill with EU citizens from time-to-time (who pass these skills on to our UK employees). As important, we often send UK employees to the EU, helping with key skills there and bringing knowledge back to the UK.

At the same time, while I respect the intentions of many in the Brexit camp, their arguments, to me, simply do not add up.

- They have not set out an alternative model and seem to be spending more time arguing amongst themselves about whether we should follow the approach of Switzerland, Norway or somewhere else and none of the options look attractive. Nigel Farage in our BBC debate yesterday said ‘he does not want to be part of the single market’, which would definitely mean the introduction of trade restrictions, which we currently don’t have.
- A new free trade deal would not be handed to us on a plate. Put simply, it won’t be. If it was, then many more EU countries would take an exit path, and the EU is not going to make that path appear easy. The argument that the EU has more to lose than the UK is also flawed and incorrect. The truth is that both would be significant losers and I never subscribe to a path where the only certain outcome is that everyone loses.
- Their claim that to leave the EU is to get control of our borders back is dubious at best. All European countries outside of the EU that have this trading privilege, e.g. Switzerland, Norway, Liechtenstein and Iceland, have to comply to free movement of EU labour. And the UK cannot have its cake and eat it on this one either. If, like Nigel Farage implies, he will sacrifice free trade in order to restrict free movement, then we should have more honesty on that and make it clear that we will pay the price of reduced trade, business investment and jobs.
- Brexit won’t mean a bonfire of regulation. As a business leader I have some sympathy with this. There are areas where we need less EU regulation. But if we follow the Swiss or the Norwegian approach, as some are suggesting, we will still have to comply with EU regulation, we just will not have a say over it. Also common standards and rules across the EU actually reduce non-tariff barriers and in many cases improve the competitiveness and reduce the regulatory burden on business. On balance, EU standardization has improved the productivity of our 13 factories in the UK. It is also inconceivable that a UK government would simply ditch EU rules on health and safety or working hours, for example, and not replace them with UK equivalents. Put simply, in or out of the EU, a life with no regulation from the EU is a fantasy and whilst business often doesn’t like being regulated, in a modern global world it is just grown up business.
- We can spend our £20 billion EU budget on things like the NHS, roads and schools. This argument is really scraping the barrel. Firstly, the figure is closer to £10bn, when you count back our various rebates, etc. Secondly, we would spend most of this on gaining access to a free trade agreement and access to EU research programs. The little that remains would be dwarfed by the negative effect on economic growth.
- The new deal for the UK with the EU has achieved nothing. Put frankly, no deal would have been good enough for most anti-Europeans. My view from observing this from both sides of the channel, is that this negotiation has been an incredibly fine line. Of course, I can see that many in Britain would have wanted more, but looking at it from the other side, we have been seen as rebels and extremely unhelpful of the greater EU good. Being a big enough rebel to bring about change and start moving the pendulum in a trajectory of a reformed EU for the benefit of all is a good thing. Being a rebel seen as only ‘out for themselves’, would have killed the negotiations from the start. I think we have done enough to get the Brussels bureaucracy pendulum swinging in the other direction, and in the end the EU will thank Britain for having started that process. Had we pushed too far, at this point, we would have started a very negative relationship with our neighbours, which potentially could have become very bitter, with negative consequences for all.

To summarise, the anti-European side has, to me, simply not set out credible arguments for leaving and their case is based on a range of uncertainties with a rather large dollop of wishful

thinking – and wishful thinking is not normally the good basis of sensible business.

But I want to end where I began, with the emotional argument for Britain remaining in the EU. To me there is a much bigger picture here. This incredibly important debate is about the future of Britain's standing in the world and the future of Europe's prosperity as a whole. And whilst the UK will always be respected for its culture, professionalism, creativity and humor, I'm convinced we will gain much more influence and respect as a catalyst for a better EU rather than heading for the exit door. After all, Britain has usually seen its national interest as being best served by being engaged with Europe and much of the modern EU agenda – the single market, enlargement, the drive for free trade and competition – has been driven by the UK.

In short, the fundamental reasons for the creation of the European project, to bring down barriers between people and create a peaceful Europe for future generations, are as strong now as they have ever been. My view is clear; Britain is stronger in the EU and the EU is stronger with Britain as a member.