



**Introduction by His Royal Highness Grand-Duke
to the Financial Seminar in Sao Paolo, Brazil, 27 November, 2007**

Excellencies, Ladies and Gentlemen,

If further proof were needed to sustain that globalisation – this phenomenon so often referred to in rather vague terms – is actually really happening, then I believe that today's gathering of the business communities of two such diverse countries like Brazil and Luxembourg would adequately provide it.

The relationships between our two countries go back a long way in history. Luxembourg, in the early 1920s, was indeed actively involved in the development of the steel industry in Brazil through the setting-up of Belgo-Mineira, which occupied a top position in the worldwide steel market over more than two generations and has recently been reinforced again through the merger of Luxembourg-based Arcelor and Mittal into the world's first player in the sector.

This successful and long-lasting venture between our countries in the steel sector constitutes a good example of early globalisation. Today, globalisation is no longer only about growing international trade, but also about ever increasing volumes of cross-border service provision and free international capital flows. Especially the financial market is becoming increasingly global: leading firms in the wholesale financial business operate on a global basis, outsourcing is ignoring frontiers and capital moves quickly from one continent to another.

We have come together here today to discuss and explore new business opportunities in the area of financial services and thereby embark on a – hopefully – close cooperation in the future. Luxembourg actually constitutes an ideal partner when it comes to fully reap the benefits globalising financial markets may be offering:

Ever larger amounts of money become available for ever more varied investment opportunities. Better and faster access to external sources of financing for corporate, national and regional borrowers are today a necessary requisite for economic growth and for bringing the real benefits of globalisation straight to the citizens through qualified job creation and sustained prosperity.

Luxembourg has always actively supported principles of open markets and free competition in support of growth. It was seeking to integrate cross-border partnerships, subsequently belonging to

the Economic and monetary Union with Belgium, the BENELUX organisation, the European Steel and Coal Community and finally the European Union as a founding member.

Facilitating international relations has had a significant impact on the development of the Luxembourg financial sector. Banking activities emerged as a consequence of the country's open environment – the country being prepared to process fast growing cross-border flows of capital in the early stages of integration. As a consequence, foreign banks came to recognise Luxembourg as an ideal location for the development of international credit activities.

Building upon this comparative advantage, Luxembourg – today home to 157 banks and the second largest domicile for investment funds worldwide - has become a centre of reference and investors worldwide consider our financial centre the ideal gateway for entering the European market.

I will now leave the floor to the Luxembourg Minister of Economy and Trade who, together with a delegation composed of the top representatives of the Luxembourg financial centre, is eager to explain and investigate concrete areas of mutual interest and interaction in this area.

I thank you for your attention and wish you very fruitful discussions.