



**Introduction by His Royal Highness Grand Duke
at the Economic Seminar in Sao Paulo, Brazil, 27 November 2007**

Dear Guests,

Ladies and Gentlemen,

It is a great pleasure for me to take the floor in front of you, distinguished representatives of Sao Paulo's business community. I would like to thank you for taking the time to join us today and showing your interest in the Grand Duchy of Luxembourg as a potential business partner.

It is a real pleasure for me to be back in Brazil. I fondly remember 1998 when, I was Crown Prince then, I led a business delegation to your country. I see people in this room that travelled with me then, almost 10 years ago. Some of them left a permanent mark in Brazil: Mr. René Elvinger decided to invest in your country after our visit. ELTH, producing components for the automotive industry, opened a production plant a bit outside Sao Paulo. My compliments, Mr Elvinger, for this success!

The situation is different now; a State Visit tries to draw a more complete picture of a country. We started with history yesterday, visiting the beautiful town of Ouro Preto and its outstanding Baroque architecture. I congratulate the Brazilian authorities for not only preserving this part of your heritage but also for keeping it alive. Too many historical sites have become sterile after renovation. Ouro Preto is what it should be: a very much living community.

Today is about business though: looking at the tremendous, bustling megapolis that is Sao Paulo, I can feel the economic heartbeat of your country. This is the right place to deepen our countries' trade relations!

We do share a long common history and contacts have been frequent, mostly so in the steel industry. In 1920 Albert 1st, King of Belgium and my great-grandfather, came to Brazil on an Official visit and was told about this country's potential in terms of steel production. Upon his return, he contacted the newly established ARBED – a steel producer headquartered in Luxembourg but with significant Belgian capital. Only 2 years later, ARBED got involved with a Brazilian company, creating the well-known Companhia Siderurgica Belgo-Mineira.

This new body brought the first Luxembourg businessmen to Brazil, people such as engineer Louis Enschedé, known for modernizing the Sabará steel plant in 1927. Others have followed over the years

and some even settled down and became part of the Brazilian nation. Nevertheless, unfortunately, I have to admit that our trade, outside the steel sector, is rather unsatisfactory. A combined volume of 51 million Euros of goods exchanged both ways is simply not enough if you consider the potential that our two countries offer! Why? I think the underlying cause is a distinct lack of information about each other. Rectifying this situation is the main objective for this seminar. I have one message that I would like you to understand today: Luxembourg is steel, but it is also much more than steel.

Speaking of information, I will have to leave you after Minister Krecké shared his views with you. We are to visit an ethanol distillery. Ethanol made from sugar cane has been one of Brazil's success-stories and these so-called "biofuels" are nowadays discussed all around the world as a possible, albeit partial, alternative to fossil fuels. The discussion is nevertheless very controversial with some scientists arguing that biofuels, if produced in the wrong way, can do more harm than good. For a lay-person like me, it is very hard to judge where the truth lies or whether there is a clear-cut truth. Information is crucial in today's world and I would like to listen to arguments from both sides. So you will have to excuse me for my early departure but I hope that you will join me and my delegation at our reception tonight.

Tomorrow I will have the pleasure to meet President Lula and we will explore how our governments can work to create the best political and regulatory frameworks for business between Luxembourg and Brazil to prosper. In this context I would like to express Luxembourg's desire to see fresh movement instilled into the negotiations of the proposed EU-Mercosur Free Trade Agreement. Potential obstacles need to be overcome. Next year, in 2008, negotiations will have been going on for 10 years. Hopefully an agreement should next be found, for the common good of Mercosur, Brazil, the European Union and Luxembourg.

Ladies and gentlemen,

It is my firm belief that the potential of cooperation between Luxembourg and Brazil, both in terms of politics as in terms of business, is currently vastly underestimated. I hope that this visit in general and this seminar in particular will contribute to improving this situation. In a few moments, Mr. Jeannot Krecké, the Minister of the Economy and Foreign Trade, will take the floor and I hope he and the other distinguished speakers will be successful in presenting Luxembourg as THE Prime Business Location in Europe.

Thank you.