

## **Agoria Conference on Manufacturing**

October 3, 2012

Remarks at MIT/Agoria Conference on Manufacturing  
Ambassador Howard Gutman

Mr. Soete

Mr. Koster

Dear friends from Agoria, MIT

Distinguished Guests:

For Michelle and me – and by the way, today marks our 31st anniversary – It is a true honor and a privilege to be here today for so many reasons.

It is a total pleasure to welcome MIT to Belgium. MIT is not only part of the gold standard within American education, but it is also a longtime ambassador of the U.S. Belgian relationship. MIT was a terrific host when Prince Phillippe led a trade mission to the U.S. last year.

To see MIT here in Brussels, discussing with Belgian and European companies and researchers the changes to our economies and to our planet now for a fourth such conference with Agoria, is a great example of our deep, long-standing trans-Atlantic collaboration in science, technology, and commerce. Collaboration between researchers and entrepreneurs from the US and Europe and beyond that is building our joint tomorrow and transforming our economies, building new industries and creating new jobs.

And it is always a pleasure to be with Agoria and its members. Agoria is one of the engines of the Belgian economy and we have worked so well together during my time here.

Michelle and I have now been in Belgium for over three years, which makes me the second longest serving U.S. Ambassador to Belgium in 31 years.

But, you know, in the years before we came, there were funerals being planned all across the United States. Funerals for American manufacturing. Funerals for the U.S. auto industry. The U.S. pundits playing the role of coroners and undertakers were explaining that U.S. manufacturing was suffering its slow death at the hands of too cheap labor costs in the East.

And indeed, between 2000 and 2010 -- the first decade of this century -- the United States lost more than 5 million manufacturing jobs, amounting to nearly one-third of its manufacturing employment. One-third of the sector perished amidst what appeared to be a move towards extinction.

And those funerals have long been long being planned here too in Belgium. Funerals for Belgian manufacturing and manufacturers. The Belgian pundits as coroners and undertakers were telling us that Belgian manufacturing was suffering its slow death at the hands of even higher domestic labor cost and an inability to compete against countries in the East.

Well, when it comes to American manufacturing, when it comes to Belgian manufacturing, as Mark Twain once said upon reading his own obituary: "The reports of my death are greatly exaggerated."

Indeed as to the manufacturing sector in the West, the more apt quote may come from Jack Nicholson in the movie "The Shining": "I'm baaack". Since the end of the recession in June 2009, and the US government rescue of the US auto industry, the U.S. economy has added over a quarter million new manufacturing jobs. The Obama administration has made the revitalization of manufacturing a priority, with his creation last year of the "Advanced Manufacturing Partnership", which you will hear about later this afternoon.

You see, as they have done so many times earlier, technology and innovation have helped to begin to solve problems where solutions seem unreachable just a few years ago. As technology allows once labor intensive industries to become capital intensive industries, cost of labor has much less influence on the slope of the playing field. Technology, innovation and capital investment level that playing field. Not just for iPad parts and lasers but for Speculoos factories and Stella plants. We produce more, faster, using fewer. When ingenuity sets the bar, labor costs can not set a ceiling.

And though it takes fewer jobs in a capital intensive world to make a widget, that new world saves more jobs than the loss of the widget business altogether. And jobs are created in the field of creating that technology and innovation—in producing the more capital intensive world.

And in such a world, this world, our new world and arriving new world, the world of not simply Advanced Manufacturing, but Advanced Way to Run Our Planet, our world grows smaller and our partnerships grow closer and more important. Partnerships between MIT and Agoria. Partnerships between the U.S. and Belgium. We are truly in this together.

So thanks for all you do. Thanks for building that partnership. Thanks for building that new world. And have a terrific rest of the conference.

Thanks so much and all the best.