

Texas Seeks to Expand Business Relations with the EU

Written by student intern reporter, Julia Paslavska, May 5, 2009

On May 1, 2009 the European Union Center and the Center for International Business Studies joined the A.R. Sanchez, Jr. School of Business at Texas A&M International University for the fourth annual conference “Conducting Business with the European Union”. Held in Laredo, Texas, the conference attracted some thirty attendees, including business owners, members of the Texas economic development board, and faculty members from surrounding universities. The purpose of the day-long seminar was to expose small and medium size companies in south Texas to business challenges and opportunities in the European Union.

During the day, five well-respected experts in the field of international business presented on various topics concerning Texas-EU relations. Among the presenters were Dr. Julian Gaspar, Director of the Center for International Studies and Professor at Texas A&M University, Dr. Jeffrey Johnson, Director of the Center for Global Business Studies at St. Mary’s University, Mr. Robert Braubach, Attorney and Counselor at Law and Honorary Consul of Belgium, Mr. Mortada Mohamed from the Office of the Governor of Texas, and Mr. Edward Sherwood, Senior Vice President and Director of Human Resources of the Falcon International Bank.

Dr. Gaspar began the conference with a macro level overview of the European Union and all of its component institutions. He spoke on the organization’s economic, political and internal operations. According to Dr. Gaspar “The EU is currently the most advanced and sophisticated regional integration block and I wanted to give the audience a feel for what this integration truly is about”. Furthermore, Dr. Gaspar discussed the many advantages of conducting business in the EU, some of which include low foreign exchange risk and high transparency in the business environment.

Dr. Johnson of St. Mary’s University continued the discussion with some microeconomic aspects of the EU, further focusing on its business environment. He explained that the EU is the largest integration in terms of aggregated gross domestic product (GDP) and population, highlighting the potential for Texas firms to expand into the large and stable market. Dr. Johnson also pointed out that firms looking to penetrate the European market should consider the cultural, language, and religious differences of the region and look at individual members as part of EU clusters.

The Honorary Consul of Belgium, Mr. Robert Braubach took the micro-level approach further and discussed the specific steps that potential investors should undertake when establishing a business in the EU. He explained how to choose the mode of entry, based on the level of risk that businesses want to assume and their desired profits. According to Mr. Braubach, before a firm enters the European market, it must first look at the rules, laws, and regulations of the EU and then the laws and standards of the specific country, where it plans to establish its business. The firm must have a deep understanding of the legal and cultural norms of its chosen region.

Mr. Mortada Mohamed from the Office of the Governor of Texas followed with a discussion about Texas and its economic development. Texas is currently the largest exporter to the EU out of all the US states but it seeks to further increase its exports and attract investments from the EU by providing various incentives to European businesses.

Mr. Edward Sherwood of the Falcon International Bank concluded the presentation portion of the conference by discussing how Texas can attract European auto component and related manufacturers into the state.

In its fourth year, the conference was helpful in exposing Texas businesses to the attractive opportunities in the EU. Although many firms in Laredo are primarily expanding south of the border where labor costs are low, the EU market provides maturity, high income, stability and security. Additionally, EU's high GDP levels and large population make it an attractive market for a variety of industries.