

Date: September 19, 2002

## CHAIRMAN'S REPORT

*The following report was delivered by BABi Chairman Michael Kirkwood to BABi members at the Annual Meeting held in London on September 19, 2002.*



Ladies and Gentlemen, Members of BritishAmerican Business, it is now my pleasure and honor to present my report to you on the year that has passed since my election as your Chairman at our last Annual Meeting, held last September in New York.

BABi was established two years ago, as a result of the merger of two outstanding organizations: the American Chamber of Commerce (UK) and the British-American Chamber of Commerce of New York and London.

Without the legacy of those two organizations, BABi would not exist: so I would like to pay tribute, first, to the many individuals and companies on both sides of the Atlantic who built AMCHAM and the BACC over the years – as members, as Directors and as Executive Committee members of both these organizations.

As the Chairman of BABi, I am very proud of our legacy, as well as of our achievements since the merger.

While this is our second Annual Meeting, it is also an important “first”:

- It is our first Annual Meeting to be held in London; and
- It is also our first Annual Meeting, to be led by a single transatlantic chairman, backed up by an integrated transatlantic management team.

This has been an extraordinary year – and not the easiest of years to be advancing a new business venture, like BABi.

The economic downturn has shrunk corporate budgets: and 9/11 had a major negative impact on our operations, particularly in New York.

Many business organizations have been forced to downsize their programs and their staff: fortunately, we have not.

In both London and New York: –

- We have offered our members the opportunity to hear from a broad range of top-level speakers, including the chairmen and CEOs of major multinational

- companies and leading public figures such as Governor Jeb Bush, ex-mayor Rudy Giuliani, and Chancellor Gordon Brown;
- We have launched new event programs in both cities – such as our Winston Churchill Lecture Series and Young Executive Program in New York and our Wilton Park Conference and EU Presidency Breakfasts in London;
  - We have expanded and refined our programming for particular sectors of our membership – through our Forums, which play such a key role for us in London, and our Roundtables in New York;
  - We have attracted ever-increasing numbers of participants to our programs in both cities;
  - In addition to our new event programs, we have launched new services and capabilities in both cities: for example,
    - We have established for the first time a policy capability, based in London, which has enabled us to start debating and taking positions on trade policy issues that impact on our members. As part of our policy program, I have written on behalf of BritishAmerican Business to government leaders in Washington, London and Brussels to express our views and concerns on particular policy issues that affect our members' interests;
    - We have established a new CrossAtlantic Relocation Service, based in New York, to assist our member companies who are relocating employees of our member companies in both cities.
  - On the down side, we have suffered a net loss of membership in both cities, at the middle and lower levels, as a result of 9/11 and the economic downturn. But we have now stabilized this situation; and membership in our Transatlantic Council has continued to grow in both cities.
  - Crucially, in a year of constant economic pressure, we have also ended the year firmly in the black, in both cities, as a result of our vigorous efforts to maximize revenues and reduce our costs.

All this represents an important achievement. But I believe that for the long-term, our most important achievement over the past year is that we have truly started to act as a truly transatlantic organization, committed to leveraging our presence on both sides of the Atlantic to bring transatlantic benefits to our members.

When I took over the Chairmanship of BABi, I laid this down as one of my key goals for my term-of-office: and I believe we have made a great start.

For example:

- We have launched our new improved website, providing news, information and advice to our members on a transatlantic basis; and our new quarterly publication, Network, in its London and New York editions;
- We have used our contacts with business leaders in one of our home cities to arrange for them to speak to our members in the other city;

- We have started running “two-city events” – such as the M&A Seminar that we will be running with my own firm, Citigroup, in both London and New York;
- And we have made our services in one city – such as our policy work and our visa and relocation services – fully available to our members in the other city.

These are just a few examples of how BABi is starting to work as a truly transatlantic business organization, to the benefit of its members. They show that “Transatlantic BABi is working”. And there will be much more to come.

I also want briefly to mention our role in the two major business networks of which we are part:

- We play a central role in the British-American Business Council, the BABC. Our New York office provides the Secretariat for the BABC; Richard Fursland serves as the BABC’s Chief Operating Officer as well as our own Chief Executive; I participated in the BABC’s Spring Conference in Cardiff, and was impressed by what I saw and learned of the BABC at this meeting; and since then I have accepted an invitation to join the BABC’s Executive Committee.
- The BABC network offers tremendous opportunities for our member companies to develop business with the BABC’s 4,000 member companies in 30 cities throughout the US and UK, and I strongly support our role in it.
- We have also, this year, secured our accreditation as a member of the Chamber of Commerce of the United States and of the European Council of American Chambers of Commerce in Europe.
- This is an enormously important step for BABi. It ensures that we will maintain the stature of representing the US Chamber in the UK and the legacy of one of our predecessor organizations, AMCHAM(UK). It also extends our reach throughout the EU and the rest of Europe, just as the BABC extends our reach throughout North America.

Finally, earlier this year, I participated for the first time, as your Chairman, in one of the six-monthly dinners that we hold for the members of our International Advisory Board. This Advisory Board, which we have worked hard to build over the last few years, now includes the chairmen and chief executives of about 50 major multinational companies. As well as representing a great asset for BritishAmerican Business, it also reflects the growing clout and prestige of our organization.

Many people and companies have contributed to BritishAmerican Business’s success over the past year. I would just like to single out a few:

- My distinguished Deputy Chairman, Martin Sullivan, who has led our Board from the New York end with great energy and dedication;
- All my colleagues on our Executive Committee, including our Treasurer, Legal Counsel and the Co-Chairs of our Nominating Committee
- My colleagues on our Board, who have contributed their time and resources to BritishAmerican Business;

- The members of our Transatlantic Council on both sides of the Atlantic, whose support is critical to us;
- The leaders of our Forums, that play such a central and critical role in our work in London;
- The Governments, Embassies and Consulate-Generals of the United States and the United Kingdom, and their staff;
- Sir Martin Sorrell for his leadership of our International Advisory Board and all our IAB members for their support;
- And last but by no means least, our professional staff in both London and New York, led by Richard Fursland and Alison Holmes

Over the past year, as I have been working more closely with our staff than before, I have gained a much better appreciation for their work and achievements. They do an outstanding job, with very limited resources. As your Chairman, and together with colleagues on our Board and Executive Committee, I am very grateful to them.

In conclusion, I would like to summarize my report in three points:

- Firstly, we have come through a very tough year in remarkably good shape;
- Secondly, we are working as a truly integrated, transatlantic organization, with a firm and growing business base in the world's two major business centers;
- Thirdly, we have established a leading position in two powerful business networks that offer increased business opportunities to our organization and to our members.

I have no doubt that the next year will be another tough one. But based on the experience of the past year, I also have no doubt that BABi will emerge from it, in better shape, and with a stronger business proposition, than ever.

Thank you, Ladies and Gentlemen, for your attention, and for all your support for BABi, not just today, but throughout the year.