

Mr Mauri Pekkarinen
Minister of Trade and Industry
President of the EU Competitiveness Council
Aleksanterinkatu 4
Helsinki

27 November 2006

THE PRESIDENT

Subject: Competitiveness Council on 4 and 5 December 2006

Dear President,

In view of the last Competitiveness Council to take place under your presidency, I would like to reiterate UNICE's urgent request that you put **climate change policy** on your agenda and start formal cooperation with the Environment and the Energy Councils on this issue. The impacts of climate change policies on Europe's competitiveness must be taken account of given that competitiveness is a cornerstone of the EU sustainable development strategy. We are concerned that the implementation of the Kyoto Protocol is deteriorating the competitiveness of European industry. Commission Vice-President Verheugen has voiced similar concerns in a recent letter to President Barroso. The EU must refrain from setting for itself unilateral post-2012 climate change objectives, but intensify its climate change diplomacy to secure an international post-2012 agreement.

As regards the proposed regulation of the **Community Customs Code** (agenda item 3) UNICE supports the revision of the Code to contribute to the standardisation, harmonisation and simplification of customs procedures in Europe. The new Code should ensure streamlined procedures based on an IT-environment of electronic customs. Harmonisation of customs procedures throughout the EU is key. Customs legislation must provide a level-playing field, equal conditions for business in all EU Member States. This implies that their customs administrations must act as if they were a single one.

On the occasion of your policy debate on **the Lisbon Strategy and Innovation Policy** (agenda item 4), European business would like to thank the Finnish Presidency on having successfully raised the profile of innovation policy as an essential element for growth and jobs in Europe. We support your efforts to define strategic priorities for innovation action and underpin them with a concrete timetable. Enterprises are the key to innovation and must be put at the centre of all innovation policies. With a view to the Spring European Council, Member States should make an honest assessment of progress made to date in improving framework conditions for innovation, research and education. At the EU level, UNICE identifies as most urgent the strengthening of intellectual property rights protection as well as progress towards launching the Joint Technology Initiatives (JTIs) on time. It is important to include a dedicated roadmap for the establishment of the JTIs in the 7th Framework Programme. You will find attached to this letter our detailed response to the Commission's action plan for innovation.

We more than welcome the Commission's strategic review on **Better Regulation** (agenda item 5) but have to realise that progress on simplification is far too slow. UNICE hopes that a legislative fast-track procedure is urgently put into place to ensure that simplification proposals are dealt with quickly without creating new burdens. Furthermore, experience in the areas of REACH and the portability of pensions shows that there are still significant shortcomings with the quality of impact assessments. The creation of an Impact Assessment Board is a welcome step in the right direction towards more objectivity and independence, but falls short of truly independent oversight of the process.

Setting a 25% target for the reduction of administrative cost would be an important improvement in rendering the better regulation project more effective and achieving real results, especially for SMEs. We expect a yearly measurement to monitor progress towards this goal.

If you require more information on any of these issues, we remain at your entire disposal.

Yours sincerely,



Ernest-Antoine Seillière