

Letter to President Sarkozy and President Barroso in view of the European Council on 11 and 12 December 2008

Dear President Sarkozy,
Dear President Barroso,

The Presidents of BUSINESSEUROPE's member federations – gathered in Paris on Friday 5 December – were very honoured to have the opportunity to meet you for a discussion of businesses' urgent concerns.

As a conclusion of our Council of Presidents and on behalf of my colleagues, I want to emphasise the importance of decisions that need to be taken at the next European Council meeting on 11-12 December 2008. There can be no doubt that these decisions will decisively shape the economic and industrial future of the European Union.

1 Firstly, the European Council should endorse the 200 billion euro recovery plan proposed by the European Commission and should therefore rapidly authorise the mobilisation of the corresponding EU resources. For business it is particularly important to step up infrastructure investments and improve their effective delivery through Public-Private-Partnerships.

At the national level, we call for a clear commitment from Member States to deliver economic stimulus packages of at least 1.2% of their national GDP, and more for those able to do so. Measures should be targeted towards private and public investment and be sufficiently coordinated to deliver positive cross-border spillovers. It should be done either by improving quality of public expenditures or through tax cuts.

There is a special concern for those Member States that face exceptional financial difficulties. The Council should therefore relax the proposed 25 billion euro cap on the EU medium-term financial assistance facility.

2 In order to speed up the economic recovery it is indispensable to restore companies' access to finance under affordable conditions. The promotion of loan guarantees as well as risk-sharing schemes should be put in place in order to encourage commercial banks to resume normal lending and capital market activities.

Furthermore, it is of high importance to rapidly implement the Small Business Act (SBA) setting out the "Think Small First" – principle. This would be a milestone to overcome current impediments to SMEs' growth. Consequently, the SBA should receive the highest political backing at the European Council and its implementation must be ensured and monitored.

3 The next European Council will also discuss and decide on implementation of a very comprehensive energy and climate policy. Industry has agreed to intensify its efforts. European companies are already 24% more energy-efficient than in 1997.

All BUSINESSEUROPE members are highly concerned about the considerable negative impacts that the combination of the renewable energy proposals and the planned post-2012 Emissions Trading Scheme will have on the competitiveness of European energy-intensive industries in the absence of an international agreement placing equivalent burdens on industry worldwide. Therefore BUSINESSEUROPE insists that the package incorporates truly effective and inclusive measures for preventing such negative impacts. A strong and competitive European industrial base is a necessary condition both to meet environmental goals and to prompt economic recovery. This should be taken into account when the ETS is discussed.

I am convinced that the European Council, at the moment of an unprecedented economic and financial crisis, will agree on concrete measures that will not hamper the recovery but – on the contrary – will pave its way.

Yours sincerely,



Ernest-Antoine Seillière, President of BUSINESSEUROPE