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## **BUSINESSEUROPE VIEWS ON THE EU STRATEGY FOR THE BALTIC SEA REGION**

### **1. INTRODUCTION**

At the request of the European Council, the European Commission will present a proposal for an EU Strategy for the Baltic Sea Region in June 2009 at the latest. The Commission initiated consultations in September and will develop a first draft of the Strategy in December 2008. For European business, an effective EU Strategy for the Baltic Sea Region contributes to promoting competitiveness and sustainable development both in the Baltic Sea Region and in the EU as a whole. European companies therefore want to express their views on the challenges, principles and key issues to be covered by the EU Strategy.

### **2. MAIN CHALLENGES FOR ECONOMIC DEVELOPMENT IN THE BALTIC SEA REGION**

Existing EU policies and regional organisation initiatives have supported development of a functioning business environment and paved the way for economic growth and prosperity. However, current economic turmoil shows that there is a clear need for introducing short and long-term measures to increase economic growth and competitiveness in the region, as well as a need for enhancing co-operation with neighbouring regions.

### **3. RECOMMENDATIONS FOR THE BASIS OF THE EU STRATEGY**

The EU Strategy for the Baltic Sea Region should build on existing policies, initiatives and action programmes and should cover all possibilities for enhanced cooperation in the region. In order to increase their effectiveness of and result-orientation, a thorough analysis of the work of existing institutions and policies is needed which should lead to the consolidation of resources by redefining or by merging regional initiatives and structures.

### **4. RECOMMENDATIONS FOR THE ISSUES TO BE COVERED BY THE EU STRATEGY**

The EU Strategy should present recommendations for tackling regional challenges, promoting the development of a favourable business environment and increasing the competitiveness of the Baltic Sea Region. A clear focus on the following areas is therefore needed:

- Deepening regional market integration by lifting explicit and implicit barriers to trade and investment including those related to proper functioning of the labour market;
- Further harmonisation of laws, regulations, customs and other procedures and their uniform implementation;



- Cutting red tape and developing more customer-oriented public administration services to companies in taxation, customs, competition, environment, construction and other relevant areas;
- Enforcing stringent economic policy and cutting exchange rate risk;
- Increasing productivity in traditionally state and municipal services by their gradual opening for free competition in relevant areas;
- Developing transport and communication infrastructure and promoting diversification of energy supplies and transnational energy networks;
- Increasing investment in education, research and development to foster knowledge and innovation based economy in the region;
- Addressing environmental issues including maritime safety in tight cooperation with the business community without excessive increase of financial burden to companies;
- Enhancing co-operation with neighbouring regions, including north-western Russia by reinforcing joint efforts in the Northern Dimension framework and by active support to the creation of a Common Economic Space between the EU and Russia.

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