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on Financial Supervision
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Monsieur le Président, *cher ami,*

Financial markets remain under severe strain. Recent reports of further bank losses, combined with a deepening recession, raise the risk of a new spiral of asset price depreciation, credit restrictions, rising costs of financing and a growing threat of default among non-financial corporations.

In this context, governments and central banks should undertake additional measures to stabilise financial markets in the short term and to alleviate financing difficulties for companies. Yet, BUSINESSEUROPE fully agrees that a strengthened system of cross-border supervision is a critical component of a strategy to restore confidence in financial markets and to prevent future systemic risks.

Hence, we have strongly supported the creation, under your leadership, of the "High Level Group on Financial Supervision", and eagerly await its conclusions to be presented end February. The European business community has already made proposals for financial market reforms, and, in particular, called for cross-border supervision to be reinforced at both the European and international level.

From an EU perspective, closer coordination through colleges of supervisors is a pragmatic solution. In any event, we see a strong and effective system of cross-border supervision as a fundamental condition to find a balanced approach in financial market reforms, avoiding overregulation and preserving the benefits of sound financial innovation.

It is also critical that European governments do not backtrack on the integration of financial markets as this would seriously hamper the chances of a sustained economic recovery.

We are looking forward to your report and will certainly comment its key proposals before Spring European Council. I wish you all the best for the conclusion of your task and assure you of the European business community's full support.

Yours sincerely, *et très amicalement,*

Ernest-Antoine Seillière