



Mr Martin RIMAN
Minister of Industry and Trade
President of the Competitiveness Council
Na Františku 32
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CZECH REPUBLIC

Brussels, 27 February 2009

Competitiveness Council, 5 - 6 March 2009

Dear President,

At a moment when the financial crisis is taking its toll on our economies and we face a recession, the Competitiveness Council has a key role to play to support growth-enhancing measures, to fight protectionism and to ensure that EU climate policy is aligned with competitiveness objectives.

In the present circumstances, the attention of decision-makers must be entirely focused on the twin objectives of stabilising the economic situation in the short term and of sowing the seeds for a quick and sustainable recovery over the medium term. Your discussions on 5 and 6 March could make a significant contribution to this twofold objective, in particular in the areas outlined below.

In a letter we sent you on 12 February on the Single Market Review, BUSINESSEUROPE points out the risk of protectionism. The correct implementation and enforcement of Single Market policy and legislation must be one of the central elements of the European economic recovery plan, in particular as regards transposition of the Services Directive which must remain a priority. Equally, EU and national legislators must safeguard well established Single Market principles and competition rules when new proposals are discussed. To achieve this, stronger cooperation among national governments and the Commission's role as guardian of the Treaties are crucial. The EU must also engage closely with international partners to ensure open and compatible responses to the economic crisis. The Council's discussion on the Transatlantic Economic Council will be particularly important in this respect.

Regarding rescue measures for the automotive industry, the Council should reaffirm that while Member States can provide sector-specific financial support, they must resist all form of protectionism and fully comply with Community rules on state aid. Such measures might indeed be justified to give relief to a sector that is viable in the medium term but has come under severe short-term financing strains.



Better regulation is another case in point. BUSINESSEUROPE member federations make a strong call to make progress on the 25% target for reduction of administrative burdens. The Council must ensure that the Commission's proposals allow to reach this target. Cost savings of €30 billion would indeed provide effective support for companies in this difficult period without putting additional pressure on public finances. Transparency, independence and early stakeholder involvement are essential to ensure that the right decisions for growth and jobs are taken.

Full implementation of the broad-based innovation strategy and the adoption of a new strategic vision for the European Research Area (ERA), involving both better coordination between ERA instruments and strengthened cooperation with industry, are pressing priorities to foster competitiveness and relaunch growth. BUSINESSEUROPE fully supports regular assessment of the contribution of innovation policies to EU economic growth in the framework of the Lisbon Strategy.

Last year's decisions of the European Council and Parliament on energy and climate change will now have to be implemented. Therefore, we renew our call on the Competitiveness Council to play a stronger role in the debate on energy and climate change policies in order to implement them in a clear, consistent and competitiveness-minded way. On the ETS Directive, we expect the Czech Presidency to lead EU work towards a quick clarification of important outstanding issues such as the definition of sectors exposed to carbon leakage. The EU must also ensure in the negotiations leading to the December Copenhagen Conference that global partners take on equally strong commitments as those which the EU legally adopted in December 2008.

I would be happy to meet you at your best convenience to exchange views on these and other matters.

Yours sincerely,

Ernest-Antoine Seillière