



Mr Fredrik Reinfeldt
Prime Minister
Swedish Government Offices
Prime Minister's Office
Rosenbad 4
SE-103 33 Stockholm

9 September 2009

Dear Prime Minister,

Sweden has taken over the Presidency of the European Union in particularly difficult times. The short- and longer-term priority areas on which you have decided to focus your action indicate that the necessary attention will be given to competitiveness as the basis to ensure sustainable development in Europe.

The 40 member federations affiliated to BUSINESSEUROPE represent some 20 million small, medium-sized and large European companies with more than 100 million employees. On their behalf I would like to draw your attention to key actions that they would like to see taken during the second half of 2009.

Economy and finances

There can be no durable return to growth and employment without well functioning financial markets, a business-friendly environment and sustainable public finances. Agreeing on a reformed European supervisory system, assessing the impact of new legislation on competitiveness and defining a common exit strategy to high public deficits is of utmost importance.

BUSINESSEUROPE counts on the Swedish Presidency to

- reach agreement on a reformed European financial supervisory system and improve risk-management rules without stifling entrepreneurship, investment in future growth and the internationalisation of companies,
- implement the EU guiding principles on impact assessment,
- follow up the conclusions adopted by the Competitiveness Council in May 2009 which call on the European Commission to formulate a competitive and sustainable industrial policy for the EU in dialogue with industry,
- better link budgetary adjustments under the Stability and Growth Pact rules and structural reforms to achieve fiscal sustainability.

The reform of the EU budget should be back on the agenda. BUSINESSEUROPE is advocating greater coherence between the EU budget and the EU's ambition to become a competitive, knowledge-based and low-carbon economy. This should go hand in hand with the debate on the future of the Lisbon strategy that will kick off under your Presidency.



Employment and innovation

With more than half of the 10 million new jobs created over the last four years expected to disappear by the end of 2009, labour market inclusion is undoubtedly a priority. Europe's future jobs depend to a large extent on its capacity to innovate. Investing in skills is therefore indispensable. However, as was highlighted at the Employment Summit you attended in Prague on 7 May 2009, keeping labour costs under control, improving labour market flexibility, and increasing mobility in the short run is also essential.

BUSINESSEUROPE counts on the Swedish Presidency to

- hold EU leaders to their commitment to adopt a flexicurity approach in order to prevent current job losses from evolving into structural unemployment,
- achieve significant progress in transforming the European Research Area into an effective market for R&D and an attractive place for research,
- overcome remaining resistance to the adoption of the common patent court system and the Community Patent.

Climate change

Europe is a world leader in combating climate change. Companies contribute substantially to the reduction of CO₂ and support the conclusion of an ambitious global agreement. The emissions reduction targets and financial framework will be at the centre of the debate at the Copenhagen conference in December 2009. At the same time crucial implementation decisions for the revised EU Emission Trading Scheme (ETS) will be taken over the coming months.

BUSINESSEUROPE counts on the Swedish Presidency to

- ensure that the European Union does not further raise its 2020 targets unless all developed countries make equivalent efforts, and advanced developing countries commit to starting discussions on setting their own reduction targets,
- avoid the imposition of further financial burdens on European industry as discussions on international financing mechanisms evolve,
- devise rules for the free allocation of ETS allowances that effectively prevent carbon leakage.

International actions

A G20 summit and seven bilateral summits will take place during the second half of 2009. The external dimension of competitiveness is extremely important. A strong and open multilateral trading system is critical to ensure global prosperity.



BUSINESSEUROPE counts on the Swedish Presidency to

- act vigorously to counter protectionist measures that undermine trade and investment,
- fulfil the G20 promise of advancing the WTO Doha Round negotiations at the December 2009 Ministerial Conference,
- finalise ambitious and balanced free-trade agreements with key trade partners under the Global Europe strategy.

The President of our Swedish member federation Svenskt Näringsliv, Ms Signhild Arnegård-Hansen, and I would be grateful for an opportunity to meet you in Stockholm at your best convenience to discuss your ambitious agenda.

I wish you a very successful Presidency of the European Union. BUSINESSEUROPE is looking forward to working with you and the members of your government.

Yours sincerely,

Jürgen R. Thumann