



**Mr Olli Rehn**  
Commissioner-Designate  
European Commission  
Rue de la Loi 200  
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8 December 2009

Dear Commissioner,

In January 2009, you will have a hearing with the Economic and Financial Affairs Committee in the European Parliament as Commissioner-Designate for Economic and Monetary Affairs in the next European Commission.

After the global financial crisis, European companies and citizens aspire to brighter economic prospects. It is through business development and investments that Europe will find the capacity to meet societal and environmental challenges successfully and at the same time rebuild a sound macroeconomic environment. Putting companies and entrepreneurs at the heart of EU's future policy agenda will be a key success factor for Europe.

We expect from the next Commission a clear commitment to open market principles. Introducing the necessary reforms to strengthen Europe's capacity for growth and job creation will require determined action on six priority issues:

- Fixing the financial system and restoring credit flows,
- Implementing reforms to attract investment and innovation,
- Developing a viable exit strategy to excessive public deficits,
- Boosting skills and human capital for the recovery,
- Bolstering open trade and fighting protectionism,
- Ensuring global commitments to fight climate change.

Europe's social and economic model, alongside a vibrant single market, a well-functioning monetary union and solid external relations, offers a strong base for turning current challenges into opportunities for development.

In your specific field of responsibility, European companies are keen to see concrete results on the following points:

## **1. Help restore sufficient level of financing for the recovery**

This will require a swift repair of banks' balance sheets, pursuit of smart regulation in the financial sector and the opening of new financing opportunities for SMEs including through better organised venture capital markets.

The business community is presently concerned at the risk of over-regulation in the financial sector. We count on the Commission to undertake proper impact assessments before final decisions are taken in particular on new capital rules for banks. Their combined effect on the supply of credit and broader macroeconomic trends needs to be thoroughly investigated.

## **2. Ensure that member states commit credibly to sustainable public finances**

Restoring confidence in public finances will be vital to foster an investment-led recovery in the private sector. The Commission should provide clear guidance within the framework of the Stability and Growth Pact on when and how consolidation should be undertaken in Member States.

If current forecasts are confirmed, the consolidation should start no later than 2011, and priority given to reduce public spending and rebuild tax basis through growth-enhancing reforms. The credibility and effectiveness of the Stability and Growth Pact could be bolstered by better integrating the impact of structural reforms on fiscal sustainability.

## **3. Strengthen benchmarking and peer-review to promote structural reforms**

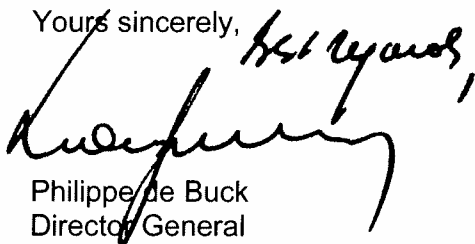
Structural reforms are a precondition for a lasting return to growth, job creation and healthier public finances. The Commission should be vigilant in its monitoring and evaluation of these reforms and help reinstate a true benchmarking culture among Member States.

The recently developed Lisbon assessment framework should be fully exploited to identify reform needs and implementation efforts among EU countries.

We attach more detailed policy briefings on the above-mentioned aspects.

We are confident that you will secure the European Parliament's endorsement to pursue a policy programme along the lines defined above.

Yours sincerely,

*Best regards,*  
  
Philippe de Buck  
Director General

  
Jürgen R. Thumann  
President