



Mr Herman Van Rompuy
President of the European Council
175 rue de la Loi
B – 1048 Brussels
BELGIUM

9 March 2011

Dear President,

European businesses are the largest investors in the Mediterranean region. BUSINESSEUROPE looks at the situation in the region with concern but also with great hopes for the future. We, in Europe, should therefore show solidarity to help the region recover rapidly and to enter into a strong economic partnership with the EU. We strongly support the recent declaration by the European Investment Bank to extend lending facilities destined for the region and we call on the EU to implement this as soon as possible. We also welcome efforts by the EU Commission to reopen trade channels with the region. But more action is needed.

A call for EU solidarity with the Mediterranean region

We call for immediate action:

- Full deployment of EU crisis assistance and capabilities to deal with humanitarian problems to help the numerous displaced people.
- Rapid EU action to reopen trade channels with the countries of the region to help restore economic stability and to help get businesses up and running again. EU Delegations and Member State embassies should work with EU businesses in the region to help wherever they can. Where necessary, the EU should rapidly deploy technical assistance to ensure that trade infrastructure (e.g. ports) can operate quickly in stabilised countries.
- No application of economy-wide embargoes which would rapidly impoverish the people of the region who are already suffering from food and other necessity shortages. Only targeted economic measures should be considered to deal with human rights abuses or the embezzlement of a country's national wealth.
- Concrete support from the European Institutions to EU businesses that are facing considerable difficulties as a result of the Southern Mediterranean situation (especially Libya).

A New Mediterranean strategy for the future:

- A high level EU commitment to redefine the EU's strategy toward a partnership for growth and stability in the region.



- Additional European technical assistance to support long term sustainable economic growth through substantial infrastructure investment.
- Deeper Trade Agreements: adopt Pan-Euro-Mediterranean preferential rules of origin, rapidly approve agreements on agricultural and fisheries products, speed up negotiations on trade in services and negotiate deep free trade areas.
- A relaunch of the Union for the Mediterranean project with a more focused growth agenda prioritising the following issues
 - **Better Governance** will create a more stable climate for investment for small business based on effective competition rules and measures to reduce the risk of corruption.
 - **Regional integration, especially South-South integration** remains fundamental to the long term success of the Southern Mediterranean region. More trade between countries will result in higher growth, bigger markets and economies of scale. In addition, larger regional markets will attract more outside investment.
 - **Accelerate investment in Infrastructure** is essential to create employment and lay the foundation for future growth.

For its part, BUSINESSEUROPE is prepared to strengthen its cooperation with business partners in the Southern Mediterranean to boost region-to-region economic cooperation, in close cooperation with the European Commission and the Union for the Mediterranean Secretariat and with interested social partners.

Yours sincerely,

Philippe de Buck