



Mr Jose Manuel Barroso
President
European Commission
175 rue de la Loi
B 1048 Brussels
BELGIUM

28 October 2011

Dear President,

Achievements of the EU Council and Euro Summit

I am writing to congratulate you on your achievements during the most recent European Council and Euro Summit.

In reaching a number of important agreements, we believe that the European Union has largely responded to businesses' request prior to the summit for heads of states and governments to act in a coordinated and consistent way to help restore business and consumer confidence. But in order to maintain this confidence, leaders and finance ministers will need to continue to act with urgency and decisiveness to agree the details of the announced schemes and ensure that their plans are fully implemented.

We welcome the commitment made by all member states to ensure that the country-specific recommendations are fully reflected in national decisions as regards budgetary policy and structural reforms, given their crucial importance for ensuring sustainable public finances, strengthening the banking system and creating jobs and growth.

In terms of the specific decisions for the Euro area, we appreciate the agreements in principle around bank recapitalisation, extending the EFSF and improving the sustainability of Greek borrowing. These are all important steps forward to help strengthen the Euro area and the EU economy as a whole.

We are pleased that European leaders have recognized the importance of ensuring that banks' efforts to strengthen their capital positions do not lead to reductions in lending to the real economy. Access to credit is crucial to drive companies investment and therefore for growth and jobs. Banks should look to raise funds initially through private sources, but given difficult market conditions, they may need, as a last resort to accept funds from national authorities, and if national budget positions do not allow it, through the EFSF.



We fully support the measures taken to strengthen economic governance and improve surveillance and enforcement of fiscal and structural reforms within the Euro area.

We look forward to contributing to President Van Rompuy's report on strengthening economic convergence within the Euro area, improving fiscal discipline and deepening economic union, including through limited treaty changes if necessary.

Yours sincerely,



Jürgen R. Thumann