



Mrs Helle Thorning-Schmidt

Prime Minister
Statsministeriet
Christiansborg
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DENMARK

23 December 2011

Dear Prime Minister,

BUSINESSEUROPE, which represents more than 20 million small, medium-sized and large European companies employing over 120 million people through its 41 member federations, would like to draw your attention to what we see as the key areas for action during the Danish Presidency.

1. Refocusing EU policies on enhancing growth

Actions to reinforce the Euro through stronger economic governance and greater commitment to structural reform and fiscal consolidation in Member States must be part of a wider plan to boost growth. Your Presidency can play a key role in ensuring that the single market, which continues to carry the support of all 27 Member States, remains the foundation for continuing economic growth and integration. We will look to your leadership to ensure that the Commission meets its commitment to carry out thorough competitiveness checks on all new EU proposals as promised in the communication on EU industrial policy. The proposal for a Financial Transaction Tax should not be taken forward in light of the risks it presents to EU growth. The negotiation on the Multi-Annual Financial Framework should result in a competitiveness-friendly EU budget.

Other key areas for action during the Danish Presidency are:

- **Employment:** Member States should be encouraged to implement flexicurity reforms to optimise job creation in order to tackle unemployment and integrate the 9 million people in unemployment for more than six months and less than 2 years. Taking action to promote youth employment, to reduce the skills gaps which hamper growth and to reform pension systems to ensure their sustainability is also essential for the future of European citizens. To contribute to the EU Youth Opportunities Initiative, BUSINESSEUROPE will make concrete proposals on how the EU can better support apprenticeships and dual learning.

- **Single Market:** The twelve levers of the Single Market Act must be implemented in a way that supports growth. Top priority must be given to fully implementing the services directive, developing e-commerce, maintaining an open, transparent and competitive public procurement legal framework and carrying forward the Digital Agenda. The creation of a patent protection system that meets the needs of all European businesses is also essential.
- **Energy and climate:** The Durban climate conference has opened up a welcome new road for diplomatic negotiations, but at the same time shown that the EU may well remain on its own in making significant emission reductions until 2020. Therefore it is all the more important that the technology- and competitiveness-friendly approach prevails when the EU 2050 climate, energy and transport roadmaps are discussed. Energy efficiency targets should be counted in relative rather than in absolute terms and energy audits for large companies must continue to be voluntary. Regulatory barriers must be removed and financial risk-sharing facilities enhanced if we want the EU to leverage the €200 billion investment needed in European energy infrastructure by 2020.
- **EU in the world:** To maximise export related growth opportunities, Europe must resist protectionism and ask for reciprocity to promote European business interests abroad. Ambitious and comprehensive bilateral trade deals with India, Singapore, Canada and Mercosur should be pushed toward a conclusion. The EU-US High Level Working Group should rapidly deliver on an ambitious proposal for trade and investment liberalisation negotiations across the Atlantic. The Presidency should also ensure that the 'scoping exercise' for the potential EU-Japan free-trade agreement negotiations clearly identifies existing barriers to trade and investment as well as concrete ways to eliminate them. The EU regulation on authorisation and empowerment for the grandfathering of existing bilateral investment treaties should be adopted to ensure legal certainty for European investors and the EU should take action to enforce free-trade rules in raw materials trade.

2. Strengthening economic governance to reinforce the Euro

Enterprises are making every effort to sustain employment and investment, but their efforts continue to be undermined by political and financial market uncertainty.

Europe should use all short-term means to support the Euro. This means taking forwards the measures agreed at the European Council on 9 December, to improve the capacity and flexibility of the European Financial Stability Facility, to provide conditional assistance to Member States experiencing liquidity constraints, as well as to strengthen cooperation with the IMF. Such measures can complement the important role the ECB is playing in providing enhanced liquidity to the banking sector and to Member States.



European leaders also need to put in place the new governance structure, or 'fiscal compact', agreed at the 9 December Council. While the agreement is potentially an important step forward in building confidence around a reinforced Euro, it is imperative that we make swift progress on finalising the details of the new agreement and ensuring its legal implementation.

The credibility of Europe's commitment to the Euro can also be enhanced if the forthcoming European Semester is characterised by strong and genuine commitments by Member States towards ambitious structural reform and fiscal consolidation. We trust you will ensure that the Council play its full role in supporting the Commission in cases where it believes it necessary to provide robust recommendations to Member States.

Europe is going through extremely challenging times but the European Union can emerge stronger from the crisis if the right decisions are taken to reinforce the Euro, to ensure access to finance for companies and to focus EU policies on enhancing competitiveness, growth and employment.

We look forward to working with the Danish Presidency in order to deliver a better future for European companies and citizens.

Yours sincerely,

Jürgen R. Thumann