



**Mr Yves Leterme**  
Prime Minister  
Rue de la Loi 16  
1000 Brussels  
BELGIUM

8 September 2010

Dear Prime Minister,

The Belgian EU Presidency has defined an ambitious and operational work programme to achieve economic recovery and ensure that the EU becomes a driving force for structural reforms, financial stability and increased competitiveness. The priorities you have identified in this area, such as enhancing economic governance, completing the internal market, promoting innovation and job creation and focusing on industrial policy are, according to us, the right ingredients for doubling Europe's growth potential.

On behalf of the 40 member federations affiliated to BUSINESSEUROPE, which represents around 20 million small, medium-sized and large European companies, I would like to draw your attention to four specific areas for actions to be tackled under your leadership.

## 1. Economic Governance

In the current discussions on the future governance of the euro area, led by European Council President Herman van Rompuy, an individual obligation towards discipline and stability, and a collective drive to reform, are essential. The main priorities in this area should be: broader surveillance of economic policies, a system of gradual penalties and sanctions in case of repeated indiscipline, the incorporation of European debt and deficit rules into national law and reforms of regional and local fiscal institutions.

Regarding financial market reforms, global coordination must prevail. The priority is to allow the EU's financial sector to rebuild a stronger capital base in such a way that it can provide sufficient financing to the economy and to ensure a global level playing field in the sector.

BUSINESSEUROPE counts on the Belgian Presidency to

- Implement the recommendations of the Task Force on euro-area governance that are expected for the EU Council in 28-29 October 2010;
- Reform the European financial supervisory system and improve capital rules for banks without stifling investment and entrepreneurship.

## 2. The Single Market and Innovation

In its 'Go for Growth' agenda 2010-2014, BUSINESSEUROPE identified completing the single market and innovation as key drivers for business opportunities.

The Belgian Presidency has a key role in ensuring that revitalisation of the single market is at the centre of Europe's agenda and of the future EU Growth Strategy, with an adequate follow-up to the report of Mr. Mario Monti. This should also pave the way for an ambitious Single Market Act expected for the second half of 2010.

In the context of consumer policy, the proposed directive on consumer rights and its full targeted harmonisation effect is the best tool to create a level playing field, ensure legal certainty and remove major national regulatory divergences in business to consumer contracts.

Currently, the patenting costs in Europe are around ten times higher than in the US or Japan. This is an unacceptable hurdle on Europe's capacity to innovate and we consider the EU patent as an important condition for promoting innovation in Europe.

BUSINESSEUROPE counts on the Belgian Presidency to

- Ensure stronger partnership by Member States to act together for the revitalisation of the single market;
- Maintain the full targeted harmonisation approach in the proposal for a directive on consumers rights;
- Reach a decision on the EU patent that significantly lowers costs for industry.

## 3. Climate Change and Industrial Policy

In the run-up to the climate conference in Cancún at the end of the year, BUSINESSEUROPE wants to reiterate its support for EU minus 20% targets and binding emission targets by all developed countries and advanced developing countries. Rather than unilaterally increasing the EU emission reduction targets, the Belgian Presidency should work towards an integrated policy encompassing climate, energy and industry.

Another important task for the Belgian Presidency is to help develop an integrated EU industrial policy based on the Commission proposal to be published in October 2010. The challenge is to harness all EU policies with the goal of tapping industry's potential. The Competitiveness Council should ensure that an industrial competitiveness dimension is included in all EU policies.

BUSINESSEUROPE counts on the Belgian Presidency to

- Refrain from unilaterally increasing EU emissions reduction targets to 30%;
- Work towards integrated policy encompassing climate, energy and industry;
- Develop a pro-active EU policy for backing industrial dynamism in Europe.



#### 4. Employment

As Europe's average unemployment rate has reached nearly 10%, it is rightly a priority for the Belgian Presidency. Investing in skills and knowledge, keeping labour costs under control and improving labour market flexibility are essential to improve employment in Europe. Having a job remains the best way to promote social inclusion.

BUSINESSEUROPE counts on the Belgian Presidency to:

- Integrate more people in the labour market by bringing forward the flexicurity agenda in the context of the EU 2020 Strategy, as outlined in the joint statement by the social partners of 4 June 2010;
- Promote implementation of necessary structural reforms to come to terms with an ageing population;
- Facilitate the development occupational and private pensions to reduce pressure on state pension systems.

We look forward to working with you and the members of your government in the months ahead to make progress on this ambitious agenda.

Yours sincerely,

Jürgen R. Thumann