

The Right Honourable Tony Blair MP
Prime Minister of the United Kingdom
President of the European Council
10 Downing Street
London SW 1

6 October 2005

THE PRESIDENT

Dear Prime Minister,

The European business community, which UNICE represents, is very concerned about the crisis in which the European Union currently finds itself. There is a deep-seated crisis of confidence, among the worst since its creation, and this at a time when we are confronted by the enormous challenges linked to demographic ageing, technological change and globalisation.

There is a serious convergence of problems:

- the negative votes in the French and Dutch referendums on the constitutional treaty create the feeling that a gap is opening between public opinion and the European project;
- adaptation of European governance to the consequences of enlargement has run into the sand;
- the unsustainability of some social systems and the deficits they generate as well as the mediocrity of their performance in terms of growth and jobs are causing great social disquiet and threaten to undermine competitiveness in Europe;
- economic growth is lagging behind that of most other economic powers in the world;
- the financial framework for the EU's work in the years ahead has not been defined;
- divergences can be seen with regard to the European Union's geographical limits and how to integrate new members.

The business world fears that, in this context of difficulties, fundamental elements of the EU such as the internal market, the single currency or the common commercial policy could fairly rapidly be brought into question and replaced by a narrow conception of national interests.

This is why we wish to call your attention, respectfully but firmly, to the initiatives that you could take before the end of the British Presidency of the EU and notably on the occasion of the informal Council you have convened on 27 and 28 October. The political circumstances that obtain in some member countries make it particularly necessary to act without delay.

For our part, we would like you to take the initiative in four essential areas:

- EU institutions: it is important to untangle the institutional imbroglio and get back to work in this area without delay. We expect the European Union to set a timetable and a method for implementing the essence of the improvements to the functioning of the EU institutions.
- European social model: if there is a specific European social model which aspires to combine competitiveness, growth and employment as well as solidarity, each country nevertheless is – and must remain – master of its own social system. This issue will be dealt with in depth at the Council meeting on 27 and 28 October. We expect from the leaders of all Member States a clear and firm message committing to modernisation and reform with a view to promoting job creation and entrepreneurship.
- Financial perspectives: it seems to us indispensable that a compromise is found on this issue by the end of this year, with clear priority given to actions which are capable of meeting the competitiveness objectives set out in the Lisbon agenda.
- Internal Market: the UK Presidency rightly attaches the highest priority to implementation of the better regulation strategy and to completion of the internal market. This means that it must ensure that the REACH proposal is made cost-effective and that an open market for services is given a decisive impetus.

The companies at the heart of European society want to assume their responsibilities to the full: they want to be competitive and innovative and therefore to be freed from over-regulation. They want to seize every opportunity to invest and create jobs and to establish - through dialogue at the appropriate level - the conditions for high productivity based on training to allow increased standards of living.

They expect political leaders at both national and EU level to restore the conditions for European integration to move forward and are confident that you will deploy your leadership to pull Europe out of its current difficult situation.

On behalf of European companies, I express the wish that political leaders at both national and EU level whom you are bringing together soon at Hampton Court will restore the conditions for European integration to move forward. We are confident that you will make the most of your Presidency to pull Europe out of its current difficult situation and breathe fresh life into reforms across the European Union.

Yours sincerely,

(original signed by)
Ernest Antoine Seillière