

Mr Wolfgang Schüssel

Federal Chancellor and President of the European Council Federal Chancellery Ballhausplatz 2

1014 Wien Austria

13 June 2006

THE PRESIDENT

Dear Chancellor Schüssel,

I would like to thank you for the valuable exchange of ideas we had in Vienna last week on the occasion of the UNICE Council of Presidents.

The Austrian Presidency of the European Union has in its hands the opportunity to stimulate the other members of the Union and put Europe on track. On behalf of all the UNICE Presidents at the meeting in Vienna last week, I would like to convey to you the business message to the European Council meeting that you will be chairing on 15 -16 June. For all the issues below, you can count on our full support across Europe.

For UNICE, the European Union should achieve the following political priorities, at the heart of the performance of Europe and citizens' prosperity.

- 1. Implement the reforms for growth and jobs;
- 2. Achieve integration of the European market;
- 3. Govern the EU efficiently;
- 4. Fight national protectionism;
- 5. Take advantage of the opportunities of enlargement;
- 6. Reform European social systems to make them sustainable.

Future of Europe

UNICE considers it is in the interest of business for Europe to be properly governed. It is for governments to decide how to do this and get us out of the governance confusion we are in. This should be done on the basis of the shortest possible timetable.

Why in the interest of business?

- in order to be able to take the necessary decisions to make Europe competitive in the globalised world for growth and jobs;
- in order to build Europe as a strong and able actor, vis-à-vis the United-States, Japan as well as China, India, Brazil, and Russia, in particular for the issues of international trade, energy and climate change.



- in order to guarantee and strengthen the economic *acquis communautaire*: the internal market, the euro, the common trade policy;
- in order to promote innovation, education and modernisation of social systems, to make them sustainable.

Economic situation

Reviewing the economic situation, we are pleased to note more robust growth in the first half of 2006. The world economy is underpinning European exports, companies are investing more and employment is improving. Inflationary pressures remain tamed in Europe, low interest rates are still supporting the economy but the exchange rate of the euro is becoming a matter of concern. An economic upturn must not divert governments from the structural reforms that need to be implemented in each member state.

WTO

As the time for WTO negotiations is running out, UNICE – representing European business – calls on Commissioner Mandelson not to give up and to strive for better market access for goods and services.

Opening by the EU on agriculture should encourage the large emerging countries to open their markets.

Services

The political agreement adopted on the services directive is the result of very difficult negotiations. UNICE's Presidents confirm that – although insufficiently ambitious – it is an important step to create a genuine European market for services.

After the European legislative process, it will be important that the directive is correctly implemented.

Energy:

The EU should address long-term energy security. For European businesses, there are three main priorities: to secure the energy supply and therefore to coordinate an external energy strategy, to create an effective internal market for energy supply with real competition between providers, to link energy policy and environmental policies within a competitive framework.

We count on you, as President of the European Council, to put forward this agenda that seeks a stronger and more competitive Europe.

Yours sincerely,

Leillia

Ernest-Antoine Seillière