



Mr Michael Glos  
Federal Minister of Economics and Technology  
President of the Competitiveness Council

Federal Ministry of Economics and Technology  
Postal Address: 11019 Berlin  
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**Subject: Competitiveness Council 19 February 2007**

Dear President,

In view of the Spring Summit on 8 March, BUSINESSEUROPE expects the upcoming Competitiveness Council meeting to give a boost to reforms. In the current upturn of the business cycle, European companies are generating growth and jobs, but already for 2008 economic prospects are more doubtful. We therefore need your help in maintaining the positive trend by delivering more effectively on economic reforms.

We strongly welcome the Competitiveness Council's increased involvement in the current discussions on climate change and energy supply, and their effects on companies' competitiveness. We hope that your lunch debate on this issue will result in more formal cooperation of the Competitiveness Council with other Council formations on this issue.

We trust that your contribution to the Spring European Summit which you will adopt at your meeting (*agenda item 5*) will focus on the priorities to improve Europe's competitiveness, namely completion of the Internal Market especially in energy and services, research and innovation, external competitiveness, better regulation and the business environment. Moreover, further labour market reforms to improve flexibility and adaptability figure among the most important elements of the reform agenda.

You will find our comments on further items on the agenda annexed to this letter. Please be assured that BUSINESSEUROPE will support you in any way it can to strengthen the work and impact of the Competitiveness Council.

Yours sincerely,

Ernest-Antoine Seillière



## **BUSINESSEUROPE comments on further items to be debated at the Competitiveness Council meeting on 19 February 2007:**

### **Item 3. *Action programme for reducing administrative burden***

BUSINESSEUROPE urges the Member States to strongly emphasise the importance of implementing the better regulation agenda and achieving concrete results. Progress on simplification is far too slow and, so far, European companies, in particular SMEs, have felt no real relief on the ground. The Council and European Parliament should improve inter-institutional working methods to ensure that better regulation proposals are dealt with quickly and really reduce burdens for business.

A real reduction of administrative burdens is so important because it will boost confidence in the better regulation project. It is therefore crucial that the EU institutions and Member States endorse proposals to measure administrative costs and strive for a 25% reduction in administrative burdens by 2012 whilst agreeing immediate actions and setting yearly interim targets to monitor progress.

The Member States should also stress the need for an effective process for impact assessments since this is essential to ensure that new legislation is in the interest of society as a whole. BUSINESSEUROPE has always called for more independence in the process to enhance quality and it likewise believes that introducing independence in the process of measuring administrative costs would also contribute to an effective reduction of administrative burdens.

### **Item 6a. *Communication of the Commission concerning the free movement of goods***

On 14 February the Commission is due to come forward with concrete proposals to modernise the legal framework in the area of free movement of goods. The so-called "New Approach" and Mutual Recognition are amongst the most important instruments for ensuring free movement of goods in the internal market.

BUSINESSEUROPE welcomes the Commission's intention of presenting proposals which set out to make business life easier by offering a more transparent legal framework, at lower cost and reduced administrative burden while allowing the swift, but safe, introduction of new products in the Internal Market.

As concerns the "New Approach" we believe it is of great importance to extend its principles to all product legislation and to ensure a coherent legislative framework, uniform implementation and efficient market surveillance. With Mutual Recognition, inadequate enforcement and divergent application of the principle prevents the full benefits from being achieved.

BUSINESSEUROPE trusts that the Commission's proposals will outline concrete measures designed to make both areas better function in practice, focusing in particular on enforcement and efficiency.



**Item 6b. *Green Paper for the revision of the Community acquis in the area of consumer protection***

BUSINESSEUROPE welcomes the Green Paper and expects an open and transparent debate on the revision of the consumer acquis. The review must adhere to the Community Better Regulation principles and pursue simplification and clarification of existing rules. It should be proportionate, practical and targeted; and review proposals must be based on real evidence of need and backed up by impact assessments and a competitiveness test.

A level playing-field and reduction of red tape in this field will contribute to better functioning of the internal market. Full harmonisation should be sought to avoid gold-plating while striking a balance between the competitiveness of companies and an appropriate common level of consumer protection. BUSINESSEUROPE will participate actively in the consultation and will follow this project closely.

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