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Federal Ministry of Education and Research
Hannoversche Straße 28-30
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Dear President,

In the next Competitiveness Council meeting you will discuss a number of important items for the business community. I would like to draw your special attention to the following:

The **European Research Area (ERA)** is a crucial goal for business and one that is fully consistent with the Lisbon objectives. While the focus of the ERA consultation is rightly on public research, it needs to be more focused on the needs of industry if the ERA is actually to be realised.

The EU's research and innovation capacity depends greatly on a fruitful **knowledge transfer** between public research institutions and industry. The recent Commission's communication on this subject is a positive contribution to bring forward the debate. We call on the Council to devote appropriate attention and time to this important issue. It is a necessary precondition for the successful functioning of the ERA.

The **European Institute of Technology (EIT)** is viewed as a useful instrument for delivering high-quality, state-of-the-art research with practical relevance as well as innovation and education. However, its success rests on the support and participation of the business community, in clearly defined structures and with independent supervision.

Significant amounts of public funding, in addition to existing funds, are required both in the initial start-up phase and during the later life of the institute. A clear financing structure is therefore a crucial requisite. Diverting public funding from existing national or European budgets allocated to research programmes would be a mistake.

We are glad to observe the efforts of the working group of the Scientific and Technical Research Committee (CREST) to develop a series of guidelines for ensuring better **coordination between the structural funds and the Research Framework Programme (FP7)** for the period 2007-2013. We strongly support the use of all funds that will drive the knowledge economy in Europe. This joined-up approach should also include the Competitiveness and Innovation Programme (CIP). Effective coordination of these resources can play a decisive role in stimulating Europe's innovation performance.

Effective spending can only be achieved if coordination between national and regional policy-makers and between regional authorities themselves works. Lack of a common strategic vision has in the past acted as an obstacle to the effective implementation of funds and has prevented projects from achieving a needed critical mass of finance or skills to be efficient. Regional and national authorities should also look to guarantee that the regulatory framework ensures innovation.

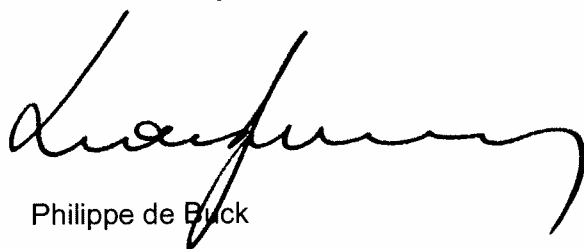
Companies are ready to engage in public-private partnerships to fostering economic growth and jobs but for that, participation rules need to be clear.

BUSINESSEUROPE supports the **modernisation of the Community Customs Code** to streamline customs procedures in the EU and adapt rules to a modern IT-based and more secure environment. The reform should contribute to the standardisation, harmonisation and simplification of custom procedures in Europe.

BUSINESSEUROPE strongly supports the centralised clearance to allow European companies to deal with a single administration, avoiding a multiplicity of customs interfaces. This initiative will result in more cost-effective and efficient interaction between customs administrations and companies. European business hopes that the opportunity to have real simplifications for companies is not missed.

I take this opportunity to thank you for your efforts to advance the competitiveness agenda during your six-month Presidency.

Yours sincerely,



Philippe de Buck