



THE PRESIDENT

**Mr Hervé NOVELLI**  
**Minister of State to the Minister for the**  
**Economy, Industry and Employment**  
139, rue de Bercy  
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FRANCE

Brussels, 21 November 2008

### **Competitiveness Council, 1 – 2 December 2008**

Monsieur le Président,

In the face of exceptional economic circumstances, the Competitiveness Council must be at the forefront of EU actions to support a swift return of confidence and a sustainable economic recovery. We welcome the principle of an EU recovery plan mobilising EU financial resources in support of infrastructure projects, research, innovation and adaptability and enhancing the coordination of national economic policies. The Competitiveness Council must support these measures by accelerating the work on R&D and innovation to strengthen the competitiveness of our economies.

This is also the reason why we once again call upon the Competitiveness Council to make a more significant contribution to the ongoing discussions on climate change policies, particularly with regard to the revision of the EU Emissions Trading Scheme (ETS). A strong and competitive European industrial base is a necessary condition both to meet environmental goals and to prompt economic recovery. This should be taken into account when the ETS is discussed.

BUSINESSEUROPE embraces initiatives that rapidly transform the European Research Area into an effective market for R&D and make it an attractive hub for research on the global stage. In addition, better linkages between recent initiatives – such as lead markets, clusters and the forthcoming Knowledge and Innovation Communities to be selected by the European Institute of Innovation and Technology – should be developed and support mechanisms for companies to participate simplified. Furthermore, the Competitiveness and Innovation Programme of the EU's Financial Framework should be enhanced, for example by reallocation of unspent Common Agricultural Policy funds.

Member states and European institutions must now rapidly adopt and implement the principles of the Small Business Act in order to stimulate vibrant entrepreneurship across Europe. Indeed, the current economic circumstances demonstrate the importance of guaranteeing better access to finance for SMEs but also of improving

other framework conditions for their development. In this context, the Council should conclude a rapid agreement on the statute for a European Private Company. It is crucial that the Council does not introduce requirements for a cross-border element. Otherwise, 90% of European SMEs will not be able to adopt the statute, which would run counter to its objective.

The Directive on Consumer Contracts, that you will discuss, could cut compliance costs for companies and create an appropriate common level of consumer protection across Europe. However, it is essential that EU legislators ensure that legal certainty and genuine harmonisation are effectively realised and avoid its dilution during the legislative debate. Regarding enforcement of consumer rights, we support improved consumer redress through better public enforcement, non-judicial mechanisms such as mediation and arbitration, and improved consumer information and education. Decisions on this must not be rushed especially in the light of the US experience and the risk of altering the national litigation systems.

The Competitiveness Council can make an important contribution to enhancing the resilience of the European economy and I strongly encourage the French EU Presidency to speed up implementation of its competitiveness agenda before the end of the year. I would be happy to meet you at your best convenience to exchange views on these and other matters.

Yours sincerely,

*(original signed by)*

Ernest-Antoine Seillière