



Addressees:

**Mr Herman Van Rompuy**, President of the European Council;

**Mr José Manuel Barroso**, President of the European Commission

6 May 2010

Dear Presidents,

We are living through a decisive moment for Europe and the euro. The business community that we represent is concerned that a nascent recovery is put at risk by renewed financial instability and contagion effects from the sovereign debt crisis in Greece.

In order to address these concerns, a strong sense of responsibility and direction is needed from the euro area Heads of State and Government meeting today. Confidence in the euro is key for European companies and citizens. It is an essential pillar of European integration and greatly contributes to global stability. The euro impacts in many ways on company investment plans and is a major factor influencing economic conditions on our continent.

The commitment to make up to 110 billion euro in conditional loans available to the Greek government is unprecedented. It demonstrates solidarity with Greece and must ensure that the necessary reforms are undertaken to address major fiscal imbalances, restore sound economic foundations for the future and help to facilitate business initiatives. This is not only vital for the Greek economy but also for the credibility of the euro.

Beyond the Greek rescue plan, risk of contagion to other Member States must be curtailed with strong determination. It is now time to flesh out more explicitly the parameters of a common strategy to combine fiscal sustainability and growth in the years ahead, and give it a sense of heightened urgency. All Member States must pledge towards ambitious budget consolidation plans and far-reaching structural reforms. This is the only way to collectively address the challenge we face today.

To ensure a coordinated return to fiscal discipline, the Stability and Growth Pact remains the appropriate framework. It will need to be reinforced and the link between consolidation strategies and reforms having measurable effects on fiscal sustainability made more explicit.



This will notably require robust monitoring by the Commission based on correct reporting, adequate quality and reliability of public finance statistics. In this context, Eurostat must be given new auditing powers. The Eurogroup will have to assume greater responsibility as well, ensuring that all euro area Member States are on track with their reform efforts and strengthen their competitiveness position.

The business community urges Heads of State and Government to work on a new governance structure and crisis resolution framework for the euro area. This framework would make possible financial assistance in a last resort situation, but with strong disincentives to using it. It should also offer the possibility of sanctions in case of persistent indiscipline.

Bold actions are needed and we trust in your leadership to instil the necessary confidence to support growth and stability on our continent.

Yours sincerely,

Jürgen R. Thumann  
President

Philippe de Buck  
Director General