

**Mr Miguel Sebastián Gascón**

Spanish Minister of Industry, Tourism and Trade
Chair of the Competitiveness Council
P. de la Castellana 160
P.C. 28046 Madrid
Spain

20 May 2010

Dear Mr Sebastián,

The importance of competitiveness cannot be overemphasised in the current economic circumstances. The unprecedented stabilisation programme agreed on 9 and 10 May to prevent the contagion of a sovereign debt crisis in the EU demonstrated a strong commitment to the single currency and to safeguarding financial stability at a critical moment. But beyond the short term, only decisive structural reforms at national and EU level will be able to respond to the need to combine significantly higher growth with a swift return to fiscal sustainability.

In its *Go for Growth* agenda, BUSINESSEUROPE outlined the concrete actions that can be taken during the term of office of this European Commission and European Parliament to double Europe's growth potential. The issues on the agenda of the Competitiveness Council on 25-26 May 2010: research and innovation, consumer rights, the services directive and intellectual property protection are all critical elements to improve growth and employment in Europe.

1. Climate change: focus on technology

The EU climate change strategy has a crucial impact on the development of industrial activity. BUSINESSEUROPE is committed to achieving the EU's 2020 climate and energy targets. However, the outcome of the Copenhagen climate conference in December 2009 does not point to the rapid development of a global level playing field or provide a signal that the EU should increase its unilateral 20% emission reduction target. The Competitiveness Council should ensure that the European Union does not further raise its 2020 targets at this point in time given the current lack of concrete commitments from our economic partners.

Rather than focusing the EU climate policy discussion on new numerical emission reduction targets, the EU should concentrate on creating a comprehensive vision for a sustainable, long-term and cost-efficient energy future, fully integrating EU policies for climate, energy and industry. This integrated climate, energy and industry strategy should aim at intensifying technology development and deployment.



2. Research and innovation: focus on governance

The transition to a more sustainable, more innovation-based and interconnected economy will only be possible if there is a strong, diverse and competitive industrial basis in Europe. Research and innovation have an important role to play in this respect. As a follow-up to your discussion on the European Research Area (ERA), it is vital that the Council defines a more effective ERA governance model. The existing system does not allow fully exploiting the synergies between national and EU programmes. Improved governance should in particular better integrate the three dimensions of the “knowledge triangle” (education, research, innovation).

3. Single Market: focus on revitalisation

Revitalising the Single Market must be at the centre of Europe’s agenda and is essential to increase the credibility of the European economy. The Services Directive and a proposed directive on consumer rights offer a genuine opportunity to improve the Single Market for businesses and consumers.

The Competitiveness Council should call on Member States to ensure the rapid and high quality implementation of the Services Directive. BUSINESSEUROPE is concerned about the uneven quality of national transposition and slow implementation of the Services Directive, in particular as regards the setting-up of Points of Single Contact and the use and interoperability of electronic procedures.

BUSINESSEUROPE urges the Competitiveness Council to support the full harmonisation approach in the proposal on a directive on consumer rights. Targeted full harmonisation should remain the core of the proposal. For those aspects where full harmonisation is not possible, we prefer to keep the status quo and reflect on how best to address them at a later stage.

Improving the trademark system at both national and EU level will be beneficial for companies operating in the Single Market. Member states should however wait for the publication of the Commission study before drawing conclusions on the European trademark system.

We hope that the Competitiveness Council will take our views into account when drawing conclusions from its debates.

Yours sincerely,

Philippe de Buck