



Mr. Herman van Rompuy
President of the European Council
Rue de la Loi 175
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BELGIUM

24 January 2011

Dear President,

At the special European Council you convened for 4 February, heads of state or government should pave the way for a strengthened European energy and innovation policy and thus put the provisions of the Lisbon Treaty into practice. Please find below our views on these two priority items for European business:

Energy

BUSINESSEUROPE is committed to transforming Europe's energy system in order to achieve a low-carbon, secure and competitive economy. This transformation will only be possible with increasing cooperation at EU level. Implementation of the 3rd energy package and a more coherent EU framework to secure and diversify external energy supply are paramount. More specifically, we would like to see the following aspects reflected in the Council conclusions:

- A particular emphasis should be put on energy efficiency in order to reach the 20% improvement target by 2020. Action should concentrate on sectors where potential for cost effective improvements is still untapped. At EU level, priority should be given to the effective application of existing instruments.
- All available energy options should play their role in the energy transformation, including nuclear energy.
- In line with the renewed EU industrial policy, which was recently endorsed by the Council, an industrial competitiveness proofing of the cumulative costs of all EU energy and climate policies on industry should be carried out, in particular of renewable energy support and of the EU Emission Trading Scheme.
- The next EU financial framework should help enhancing risk-sharing facilities for infrastructure projects, considering that energy investment needs will amount to one trillion Euros over the coming decade.



Innovation

BUSINESSEUROPE is calling for an enhanced framework for innovation and research. The vital role of the European business community in delivering on the objectives of the new Innovation Union flagship initiative must be fully acknowledged. Only by focusing on societal challenges and areas where the European companies have a strong potential for value added will the new strategy result in sustained growth and employment. The following specific aspects should be reflected in the Council conclusions:

- Europe needs a sufficient supply of workers with the right set of scientific and engineering skills.
- The administrative framework for participation in EU funded programmes must be streamlined and radically simplified.
- More extensive use of demand side measures such as public procurement could be an important tool to drive innovation and growth in Europe.
- Access to finance for research and innovation remains a key concern not the least for SMEs. New financial mechanisms on the EU level must be developed and existing instruments enhanced in the next EU financial framework.

From an energy as well as innovation point of view BUSINESSEUROPE is strongly committed to the Strategic Energy Technology (SET-) Plan. We urge the Council to reaffirm its high priority in the implementation of the Europe 2020 Strategy and forthcoming budget discussions.

I thank you in advance for the consideration you might give to our concerns in your conclusions of the Council meeting.

Yours sincerely,



Jürgen Thumann