



Mr Donald Tusk
Prime Minister
Kancelaria Prezesa Rady Ministrów
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Republic of Poland

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Dear Prime Minister,

The Polish Presidency has decided to focus its work on three important topics: European integration as the source of growth, a secure Europe and a Europe benefiting from openness. Like you, we believe that European integration is a key source of growth and that the European Union benefits from openness and must resist protectionism inside and outside Europe.

On behalf of the 41 member federations affiliated to BUSINESSEUROPE, which represent more than 20 million small, medium-sized and large European companies employing over 120 million people, I would like to draw your attention to what we see as the key areas for action during the Polish Presidency.

1. Ensuring the pursuit of economic recovery

Growth forecasts are stronger than expected and some countries have already returned to pre-crisis levels. However, progress is uneven and uncertainty linked to the sovereign debt crisis continues to undermine longer term growth and jobs prospects.

Safeguarding the Euro is an absolute must. The stability and credibility of the common currency has to be secured in order to ensure the pursuit of economic recovery in Europe. We need greater commitment towards fiscal discipline and towards implementation of the growth-enhancing reforms outlined in the National Reform Programmes as well as of the country specific recommendations adopted last June.

A sound financial system is in the interest of European business and improving access to finance for SMEs is essential. Commission proposals for the revision of the EU's Capital Requirement Directive will be published shortly. The efficiency of the reforms depends on ensuring a level playing field between jurisdictions while taking into account European specificities such as the fact that SMEs rely heavily on bank lending channels for financing. Averting the risk of a reduction in the supply of credit to SMEs should be a key concern when transposing Basel III rules into European rules. BUSINESSEUROPE also counts on your support to stick to laying down principles and reporting processes rather than setting binding liquidity ratios in EU legislation as the gap with the two liquidity ratios proposed by the Basel Committee are estimated to represent 15% and 8% of the EU GDP respectively.



2. Implementing the Single Market Act and the Industrial policy flagship initiative

To unleash untapped sources of growth and jobs in the European Union, the Polish Presidency should ensure progress in the implementation of the Single Market Act and of the EU flagship initiative on industrial policy adopted last year by ensuring

- the creation of a patent protection system that meets the needs of all European businesses and of the necessary judicial arrangements,
- progress in discussions of expected Commission proposals on standardisation
- moving forward with alternative dispute resolution systems,
- the fulfilment of the EU promise to carry out competitiveness checks for all new legislative proposals,
- changes to be made to EU public procurement rules lead to real simplification,
- adopting ambitious conclusions on the removal of obstacles to the digital single market which can boost EU GDP by more than 4%.

3. Using the EU budget as a tool for growth

The Polish Presidency will kick off discussions on the Commission proposals for the EU budget after 2013. BUSINESSEUROPE fully supports your objective to reform the EU budget in order to align its spending with Europe's 2020 Strategy and support competitiveness. We believe the Commission proposals are a good basis but are not sufficient for a real breakthrough. We count on the Polish Presidency to live up to the challenge of a more ambitious restructuring of the budget that provides a real boost to Europe's competitiveness, growth and jobs. In order to ensure greater efficiency and value for money, BUSINESSEUROPE recommends defining three conditions for EU funding, namely that it should only be used:

- where it can deliver greater results than if deployed at national level
- where it best complements national and regional initiatives,
- where other available funding sources are insufficient to meet market needs.

4. Ensuring security of supply for energy and raw materials in Europe

Ensuring adequate access to affordable energy and raw materials is essential for the future of growth and jobs in Europe. The way in which energy policy, the resource efficiency flagship initiative and the raw material initiative will be implemented has major implications for the companies' competitiveness. We count on you to ensure that:

- the concept of resource efficiency is not hijacked by sterile discussions on numerical targets. The main focus of the EU roadmap towards a resource efficient Europe should be on facilitating the development of innovative technologies and production methods,
- the effects of the phase-out of nuclear energy in Germany for the security supply and energy costs in Europe as a whole are properly assessed,

- new energy efficiency measures are complementary to effective programmes in Member States and allow companies to apply cost-efficient and economically feasible solutions.

5. Developing trade relations and the internationalisation of SMEs

International trade is an essential growth driver for the European Union. BUSINESSEUROPE supports the Polish Presidency's proposal to finalise the WTO accession negotiations of Russia and bilateral trade negotiations with Ukraine, which must include ambitious rules on the liberalisation and privatisation of the energy sector.

We agree that advancing the political and economic dimensions of the Eastern Partnership is a strategic priority and believe that democracy in these countries should be strengthened. But we also count on the Polish Presidency to:

- push ambitious and comprehensive bilateral trade deals with India, Singapore, Canada and Mercosur toward their conclusion.
- ensure that the 'scoping exercise' for the potential EU-Japan FTA negotiations clearly identifies existing barriers to trade and investment and concrete ways to eliminate them,
- support economic development to stabilise the Southern Mediterranean region,
- adopt the EU regulation on authorization and empowerment for the grandfathering of existing bilateral investment treaties while ensuring that the EU can exercise its authority to negotiate new treaties on behalf of all Member States of the Union,
- support the internationalisation of European SMEs. BUSINESSEUROPE is prepared to work with its member federations to facilitate outreach to the SME communities in Member States.

In the light of these five key areas of common interest, I would like to stress BUSINESSEUROPE's wish to work constructively with the Polish Presidency in order to help you deliver a better future for European companies and citizens.

Yours sincerely,



Jürgen R. Thumann