



Mr Johannes Hahn
Commissioner for Regional Policy
European Commission
200 rue de la Loi
B – 1049 Bruxelles
BELGIQUE

27 September 2011

Dear Commissioner, *Juan Fernandez,*

In these difficult times of fiscal austerity and financial instability, all European funds should be designed to boost growth and jobs, helping to achieve the Europe 2020 objectives.

Evidence shows that large enterprises act as a crucial anchor in local and regional economic development. They often create partnerships with small and medium-sized enterprises (SMEs), with whom they form important value chains. It is in the interaction between these companies that knowledge and best practices transfer works better, being also a key factor in the creation of innovative regional clusters.

BUSINESSEUROPE is therefore concerned about the suggestion that larger enterprises be rendered ineligible to benefit from the European Regional Development Fund (ERDF). We fear that narrowing its scope in the upcoming legislation will have an adverse effect, including for SMEs.

Adopting a discriminatory approach towards larger enterprises could therefore impede innovation and reduce the competitiveness of EU companies, cutting them off from vital global partnerships and reducing their access to technology. We are particularly worried about the impact on the EU's capacity to attract foreign direct investment, especially in relation to emerging countries that are aggressively seeking investments.

Regions should be able to leverage Structural Funds strategically to attract investments and stimulate job creation also by large enterprises. BUSINESSEUROPE therefore strongly recommends that access to the ERDF is evaluated on the quality of the investment and its economic impact, and not on the size of the company.

Yours sincerely,

best regards

Philippe de Buck