



Mr José Manuel Barroso
President
European Commission
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BELGIUM

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Dear Mr. President!

BUSINESSEUROPE would like to inform you of the key issues of concern to European business at the 3-4 November G20 Summit in France. As G20 leaders will focus their discussions on global economic recovery, we, European business, have the following proposals for a G20 growth agenda. All of these issues will also be discussed in the context of the B20 Summit organised by MEDEF, the Confederation of French Enterprises, in parallel to the G20 Summit.

Decisive action is required internationally to stabilise financial markets and to prevent a spill-over into the real economy. The G20 should step up efforts to create a more robust framework for global policy coordination and **economic rebalancing**. Currency stability and a rapid transition toward a market based exchange rate in China and other emerging economies should be part of a global commitment to sustainable economic policies. Industrialised countries should also put their fiscal house in order and implement structural reforms to boost job creation and to contribute to rebalancing.

G20 discussions on **financial sector reform** should take better account of the cost of finance for the private sector which is the motor of the global economy. To avoid unjustified increases in the cost of finance, a thorough, consistent and credible impact assessment looking at the cumulative effect of financial market reforms on access to finance and growth should be undertaken at both global and EU level. New capital rules for banks (Basel III) should not reduce access to trade finance, which is a low risk financial activity. Furthermore, recognising the different circumstances in each country, a level international playing field should be a priority for the implementation process. Finally, we call on the G20 countries to strengthen bank resolution mechanisms in order to allow systemically important banks to fail without endangering the real economy. We are sceptical as to the benefits of commodities market regulation on the security of supply of raw materials and energy for EU industries. Disincentives to investment in the production of raw materials such as export restrictions, unstable investment environments and regulatory uncertainty are more important issues to be addressed and must be put on the G20 agenda.



We regret that G20 members did not follow through on the Seoul Declaration commitment to finalise the WTO Doha Round and that **trade as a driver of growth**, has been taken of the G20 agenda. In Cannes, the G20 should define a clear path forward for the WTO to pursue its mandate to liberalise and strengthen rules on trade. In addition, the G20 should advocate for progress where possible in multilateral trade negotiations like trade facilitation and the accession of Russia to the WTO and begin tackling protectionism in investment. Progress on these trade issues can contribute strongly to the G20 agenda for growth.

The G20 Summit should foster cooperation on technology to ride new waves of growth. Cooperation in **clean technology and new energy investments** can be encouraged through clear and stable market incentives like global price for carbon, strong intellectual property rights and investment rights to encourage the commercial transfer of technology, efforts to liberalise trade in goods, services and procurement, and public-private partnerships for investments in much needed infrastructure developments. Strong and comparable emissions reduction targets from industrial and emerging countries will help reduce global greenhouse gas emissions, ensure a level playing field for European companies and create the stability needed for investment in new technologies.

BUSINESSEUROPE counts on strong EU leadership to pursue a clear pathway for economic recovery at the G20 Summit in Cannes. This will boost private sector confidence and generate growth and jobs for the EU.

With my best regards
Jürgen Thumann

Jürgen R. Thumann