



Mrs Angela Merkel
Federal Chancellor of Germany
Willy-Brandt-Straße 1
10557 Berlin
GERMANY

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Dear Federal Chancellor,

BUSINESSEUROPE'S PRIORITIES FOR THE GERMAN PRESIDENCY OF THE EUROPEAN UNION

We would like to thank you again for the exchange of views we had with you during our Council of Presidents on 5 June 2020.

The German Presidency has a key role to play in putting the European Union on the right track to recover from the COVID-19 crisis and revitalize economic activity across the continent.

The European business community supports the 6 main priorities of the German Presidency. Like you, we want to achieve:

- a lasting economic and social recovery overcoming the coronavirus crisis,
- a sustainable Europe,
- a stronger and more innovative Europe,
- a just Europe,
- a strong Europe in the world, and
- a Europe of security and common values.

We agree that the Green Deal and Europe's digital capacity have to be key pillars of Europe's recovery strategy. However, the recovery plan must go beyond these two pillars.

The COVID-19 pandemic has led to an unprecedented drop in economic activity, causing a recession of historic proportions. For our economy to recover from the shock of the pandemic and to operate again at pre-crisis level, we need the right policies. The response to the current crisis is more Europe, and it starts with improving our European Single Market and strengthening of the European Economic and Monetary Union to have solid economic foundations. To minimise long-term scarring to the EU economy, the EU and its member states need to continue to progressively reopen their economies and put in place an ambitious coordinated economic measure to support business investment, consumer demand and employment.



We count on the German Presidency to deliver on its political priorities by focussing on the following actions:

- **For a lasting economic and social recovery overcoming the coronavirus crisis, we need a determined financial and non-financial European response.** The German Presidency must foster rapid agreement on an ambitious and well-coordinated European Recovery Plan boosting investment. It is essential that the Council agrees on the new EU multiannual financial framework (MFF) and recovery instrument before the summer break, followed by swift implementation. The disbursement of EU funds must be linked to the implementation of country specific structural reforms agreed in the European Semester through the proposed Recovery and Resilience Facility.

A strong European Single Market is indispensable for a successful recovery. We need a coherent and coordinated approach for lifting the national restrictions introduced during the crisis. However, merely restoring our Single Market to the pre-crisis levels will not be enough. We need a strong focus on preventing new barriers for goods and services, actively work on a further opening of the Single Market, boost enforcement of Single Market rules at national and EU level, and give a new impetus to the services Single Market.

- **For a sustainable Europe, the Green Deal is a key pillar of the recovery.** To make the green transitions work as a recovery strategy, the emphasis must be on the investment part, given that Europe is faced with an EUR 850 billion investment gap due to COVID-19. Obligations on businesses of all sizes must be limited to what is absolutely necessary. And the recovery funds must be directed towards key technologies and infrastructures for the green transition, while at the same time support consumer demand for more low-carbon products and solutions. In addition to discussing ambitious targets under the Green Deal, we urge the German Presidency to better focus on how such targets can be met.
- **For a stronger and more innovative Europe, we urge the German Presidency to facilitate innovation.** This requires prioritising Research & Innovation in the next MFF and Next Generation EU as well as pursuing a strong better regulation agenda.

Research & Innovation are critical levers to support the recovery, boost resilience of our production sectors and the competitiveness of our economies. The historical growth contraction for 2020 may imply a €22 billion loss of total EU R&D investments, a loss that Europe cannot bear. The financial envelope for Horizon Europe should be of at least €120 billion (in constant prices).

To accelerate the digital transition - a key pillar of the recovery - we must also channel resources for strengthening innovation in key technologies such as AI, while incentivizing voluntary data sharing through common European Data Spaces to digitize Europe. Funds must support Europe's bid to widely spread 5G to offer opportunities for all to globally compete in the digital economy.



In addition, to ensure that research can translate into innovative products, services and production methods, the Presidency should support a strong better regulation agenda, delivering evidence-based decision throughout the legislative process (and not only for the Commission proposals), implementing the innovation principle and reducing unnecessary burdens on companies.

- **For a just Europe, the German Presidency should ensure that Member States improve the performance of labour markets.** Having efficient economic and social systems across the EU is key if we want to reap the benefits of the Next Generation EU recovery instrument. To ensure that the money is well spent, EU funds must be used to boost investment and increase the earning and job creation capacity of European business. Making the right choices will be crucial to ensure acceptance of this unprecedented European solidarity, for the repayment of this EU debt in due course, and for our children's and grandchildren's future.

We need an improved tripartite approach involving national governments and social partners, before the action plan on the pillar of social rights is put forward by the Commission early next year. Skills policies must be closely connected with industrial policy. Initiatives in the area of minimum wages that interfere in autonomy of national social partners to set wages must be avoided. The EU has no competence in regulating minimum wages.

- **For a Europe of security and common values, the German Presidency must ensure that basic rule of law requirements are respected,** including when using EU funds. This is key for the functioning free market economies and democratic societies. And to build a coordinated European solution to better manage migration and move away from ad hoc crisis management, we urge the German Presidency to foster agreement on a new common European asylum system and to pursue a positive agenda to attract talented people from third countries with skills needed on European labour markets.
- **For a strong Europe in the world, international trade must continue to play a key role.** The EU must remain open for trade and investment because this is the basis of our prosperity. Maintaining an ambitious trade negotiation agenda is key to reinforce and promote the EU's role and standards internationally. Hence the importance of ratifying agreements such as Mercosur during the German Presidency. Moreover, we urgently need a reassessment of the EU's relationship with its major trading partners: the USA and China. The relationships should be stronger but also more strategic and beneficial for both sides. This includes addressing irritants, looking at ways to level the playing field while defining medium to long term measurable objectives and avenues of cooperation in key areas like WTO reform, climate change or digital trade. In addition, the EU needs to take leadership fighting protectionism and the German Presidency must strongly support the WTO and actively engage in its reform process.

On future EU-UK relations, we urge the German Presidency to work towards a comprehensive and ambitious agreement in time to allow for ratification and entering into force by 1 January 2021. This would give companies the stability, clarity and certainty they need while they are managing through the current crisis. Both sides should look at ways to avoid chaos and ensure a smooth transition to the new EU-UK relationship. Therefore, we hope that the intensification of

negotiating rounds all through summer will lead to substantial progress in all areas, including the most sensitive ones. Moreover, given the profound changes that will occur in the way to do business between the EU and the UK, it is essential to continue to help and support companies preparing to face this challenge.

Further details about our priorities for the German Presidency are set out at annex.

We look forward to working constructively with you and the different members of your government to overcome the COVID-19 crisis to ensure that Europe not only bounces back as rapidly as possible but even becomes a stronger European Union than before the crisis.

Yours sincerely,



Pierre Gattaz
President



Markus J. Beyrer
Director General



BusinessEurope Priorities for the German Presidency

1. A lasting economic and social recovery overcoming the coronavirus crisis

To **kick-start the recovery**, the German Presidency should:

- foster rapid **agreement on the new EU MFF and recovery instrument** and ensure swift implementation. We are concerned that the proposed recovery plan will not deliver a high enough proportion of investment in the coming two years when such a fiscal stimulus will be most needed and therefore support the proposal to have a bridging instrument with the 2021 budget. In order to drive economic reform, the disbursement of EU funds must be linked to the implementation of country specific structural reforms agreed in the European Semester through the proposed Recovery and Resilience Facility.
- ensure that **tax systems** in the EU are carefully calibrated to support growth and ensure long-term stability. The EU should continue to work constructively with partners at the OECD to deliver a global agreement on corporate taxation, avoiding unilateral actions. Taxes which are particularly damaging to investment should be avoided. Withdrawing proposals for a Financial Transactions Tax (FTT) would provide a boost to investor confidence.
- use the new concept of **industrial ecosystems** as a tool to channel investment efficiently and to ease the administrative burden for companies by focusing on tools for better regulation. Defining these ecosystems and future strategic value chains is very decisive and the selection must be conducted with full transparency. The governance of such ecosystems must ensure political accountability, should be open, inclusive, and involve industry through its representative organisations and not become a political “pick the winners” instrument.

To **strengthen European Single Market** as well as the **Economic and Monetary Union** and trust in the euro, the German Presidency should:

- support a **coherent and coordinated approach for lifting the national restrictions introduced in the Single Market** during the crisis. However, merely restoring our Single Market to the pre-crisis levels will not be enough. Our export-driven businesses currently face many uncertainties. Reducing existing obstacles and restrictions, putting a strong focus on preventing new barriers for goods as well as services and actively working on a further opening of the Single Market is essential to fuel Europe’s recovery and strategic success.
- make progress on **completion of both the Banking and Capital Markets Union and further integrate EU capital markets** to increase financing options for businesses, such as Venture Capital provision. Future changes to bank capital requirements (following Basel IV) should not significantly increase capital requirements overall. Given the pressure the current crisis is placing on firms’ liquidity, it is essential to provide a stable environment to investors.



- complete the **review of the EU's Economic Governance Framework**. With the Stability and Growth Pact (SGP) currently suspended, we need to ensure that a revised framework is agreed before it is time to restart the SGP, and that this reflects the increased need to support long-term sustainable finances, particularly through higher growth in the light of the COVID-19 crisis. This will require a renewed focus on supporting productive long-term public investment.

For **better resilience and open markets**, the German Presidency should:

- ensure that all **international trade and investment restrictions** that were introduced during the COVID-19 crisis do not become permanent and are swiftly removed. The EU should take a leadership role in fighting protectionism using all existing international fora including the WTO, G20 and G7.
- ensure that **trade flows as well as border and transport restrictions** are progressively lifted taking a risk-based approach. Customs' facilitation measures should remain in place particularly the use of electronic documents
- work towards **more resilient supply chains**. The EU should diversify its sources of supply, for instance by maintaining an ambitious trade negotiation agenda and bringing to fruition important trade agreements like Mercosur. At the same time the EU needs to remain attractive to investors promoting a pro-competitive environment for its companies. We must not fall into the trap of forced and hasty relocation of production. Europe needs flexible frameworks which allow for an independent choice of sources of supply for European companies.
- promote multilateral rules in **international e-commerce and digital trade** and support the ongoing discussions on e-commerce in the WTO. E-commerce and digital trade allowed many companies, especially SMEs, to maintain their activities and revenues. However, we have also experienced problems, from lack of conformity of products to issues related to security and cyber-theft.
- seek further **trade liberalisation** by eliminating existing tariff and non-tariff barriers, in particular in the healthcare sector. The zero for zero pharmaceutical agreement should be expanded in terms of product and country coverage. The COVID-19 crisis is a global challenge and it merits a global response.
- ensure that our trading partners respect their international commitments namely regarding **state subsidies** while the European market must remain open to third countries. The green and digital transformations will demand considerable investments from European companies. In this context, we welcome the Commission's White Paper on foreign subsidies and will actively engage in the public consultation.

2. A sustainable Europe

For a successful **green transition** to support the recovery, the German Presidency should:

- ask the European Commission in its **impact assessment on potentially increasing the 2030 climate ambition** to take into account the possible long-term impacts of COVID-19 on both companies and member states, as well as a few other crucial impacts that we describe in [our dedicated comment paper](#) regarding the public consultation on the 2030 Climate Target Plan. Since this 2030 impact assessment will be the basis for many important policy proposals, such as a revised Climate Law and revisions to the EU Emissions Trading System, it is crucial that the initial 2030 impact assessment stands the test of time.
- support a coordinated cross-sectoral approach to the upcoming **Smart Sector Integration Strategy** to ensure a balance between the energy supply and demand. The upcoming strategy will link the energy networks and the different economic sectors to create a decarbonised and efficient system. It is therefore vital that the recovery strategy considers the elements of the strategy when channelling its resources towards R&I, technology deployment, infrastructure, etc.
- support a **European hydrogen strategy coupled with a strategy to increase renewable energy supply** and ensure the development and scaling up of entire industrial value chains. A hydrogen IPCEI could help pooling the necessary public and private investments. The strategy should be based on a technology neutrality approach (covering all forms of hydrogen, including those needed for the transition phase) and be cost-effective.
- support an **EU renovation wave** to simultaneously contribute to climate protection and economic recovery in the EU. Boosting building renovation can become an important element of the European Green Deal and have a positive impact on value chains running across Europe.

3. A stronger and more innovative Europe

For a successful **digital transition**, the German Presidency should:

- continue the work to implement the **5G toolbox**, specifically enabling legislation related to risk assessments of suppliers and service providers. National security decisions should be taken autonomously and independently, by competent authorities. Each assessment should be: de-politicised, based on the objective criteria of the toolbox, allow vendor diversification, be proportional, have clear processes and give predictable decisions to market participants. Member States should also launch large information campaigns based on scientific evidence about the potential of 5G and the benefits it will offer the economy and society to fight against the current flurry of disinformation and fake news. In addition, we recommend speeding up progress on a 5G security certification scheme, which will greatly improve trust and transparency for products and critical infrastructure.

- prioritise Europe's bid to build **excellence in AI** which depends on creating conditions to permit businesses to research, test, acquire a skilled workforce, exist in a vibrant data economy, have appropriate infrastructure to build upon and a legally beneficial framework. Existing frameworks relating to AI should be reviewed before new ones are made. Any requirements foreseen should take a risk based approach to only cover "high risk" AI that is likely to come to market within the next 5 years and be supported by market-relevant harmonised standards under the New Legislative Framework. We agree with the most recent review of the Product Liability Directive (2018) in that it is generally fit for purpose but recognise the potential issue raised in the most recent AI liability report (2020). Therefore, while the Product Liability Directive (PLD) should continue to apply to all consumer products, the Commission should explore the potential gap in relation to players not currently defined underneath it through its upcoming AI initiative with regard to players that influence high-risk AI but that cannot be legally defined as "producers" under the existing PLD. This should aim to achieve greater legal certainty, fairness and trust in value chains to support the uptake of AI in Europe.
- support the **European strategy for data** as Europe's bid to compete in the exponential growth of the global data economy. Common European data spaces should be set up in strategic sectors of the economy to incentivize greater voluntary data sharing. This should be supported by a governance framework that safeguards fair competition so that equal conditions for all can be upheld within the data economy. Existing frameworks in relation to IP, privacy and competition should be clarified so that businesses understand how they can legally share data with others using fair, simple and intelligible data sharing agreements.
- support the Commission's intention to ensure market fairness and solve the issue of illegal content online through its **Digital Services Package**. Yet as content itself and what is illegal can vary greatly, this should be tackled in separate initiatives. Upholding a level playing field between the online and offline economy is crucial. We welcome update requirements for notice and take-down procedures in this regard to codify liability for platforms that do not uphold their duties to take illegal content down once notified. At the same time, providers should be exempt from liability if they can demonstrate appropriate and timely actions were taken on the basis of a notice even if they have failed. We remain sceptical about the broadness of the initiative to include "harmful" content that is not necessarily illegal as it would be impractical to codify and would potentially go against European values.

To ensure that our **Single Market** provides a strong competitive base for our businesses and guarantees a trusted level-playing field, the German Presidency should:

- support **capacity building and resources for implementation and enforcement of the EU rules**. This should be boosted both at the EU and national levels with a focus on the Single Market functioning, even more so after the COVID-19 crisis.
- ensure that **competition rules** remain fit for today's world. The Commission is currently reviewing the EU competition framework, stressing that the temporary flexibilities in state aid and competition should not cause long-term fragmentation



in the Single Market. We agree that this approach should be upheld. EU competition rules on horizontal cooperation should encourage companies to collaborate to carry out joint technology development and achieve objectives of other EU policies such as environmental and sustainability objectives. To support the funding of Important Projects of Common European Interest, EU state aid rules should be changed to facilitate and speed-up decision-making and reduce administrative burdens. For example, one single notification procedure for all the relevant national funding measures should be set up once the Common Project has been approved so that all subsequent public funding is considered automatically eligible.

- urgently find a solution for bottlenecks in the governance of **harmonised standards**. In the absence of such standards, companies lack essential tools which facilitate their compliance process and support the free movement of goods across the Single Market. As standardisation is a voluntary consensus process, the German Presidency should urge the Commission to fundamentally revise processes for technical harmonisation of products and reduce intervention of public EU authorities in this traditionally stakeholder-driven process. This requires an independent assessment of the Commission's interpretation of Regulation 1025/2012, as we recommend in our [joint industry statement](#).
- give new impetus to the **Services Single Market**, the potential of which has been underused for years or even complicated by revisions of EU rules on posting of workers. This new impetus is key given the relevance of services to the green and digital transitions and the increasing levels of industry servitisation. As first steps, we need a fresh assessment of authorisation and licensing regimes in Member States, with a view to a further opening of markets, and reinforced proportionality assessments for all national legislative proposals on the provision of services. Furthermore, a revision of Regulations 883/2004 and 987/2009 is needed to introduce a mandatory exemption of A1 forms for business trips and an exemption for short time assignments from carrying A1 certificates.
- support a strong **better regulation agenda** focused on evidence-based decision making and reduction of unnecessary burdens. In both dimensions, the co-legislators should take their responsibilities to ensure that these elements have been addressed in the outcome of the legislative process and not only for the Commission proposal.

To put in place more **business-oriented innovation policies**, the German Presidency should:

- prioritise **Research & Innovation in the next MFF and Next Generation EU**. Research & Innovation play an essential role in the fight against the current COVID-19 pandemic and are critical levers to support the recovery, boost resilience of our production sectors and the competitiveness of our economies. The historical growth contraction for 2020 may imply a €22 billion loss of total EU R&D investments, a loss that Europe cannot bear. The financial envelope for Horizon Europe should be of at least €120 billion (in constant prices). This would



unlock private funds, address societal challenges and help reduce the gap in R&D spending to other regions. In order to take European RDI to the next level, promote collaboration and secure real impact, 60% of the Horizon Europe budget should be dedicated to Pillar II, “Global challenges and European industrial competitiveness”, which enables ambitious collaborative RDI projects in important industrial key areas and brings technologies to industrial maturity.

- radically re-think the **EU’s funding administration of Horizon2020**. The COVID-19 crisis has impacted the way European funding is awarded and administered, with an increase of special fast track calls for proposals (and therefore chances to fight against the pandemic effectively). This experience should be a lesson for the future: short time-to-grant and high chances of success are key to ever faster innovation cycles and the need to be agile.
- deliver on the **European Research Area’s (ERA) objectives**. To accomplish the intentions of the Treaties, the ERA must become more competitive, including in its industry. Until now, the ERA had a strong focus on academic research and missed an ecosystem approach. This is quite unfortunate: R&I has little value to society unless inventions are translated into innovations with beneficial impact for European citizens, and companies are the key driver of this translation. The ERA should activate knowledge transfer and innovation across Europe to shorten the path from research results to applications and thus narrow the infamous valley of death.
- initiate a **European policy dialogue on EU’s regulatory sandboxes**. To respond to the challenges of adapting regulation to facilitate innovation, several Member States - including Germany - have launched experimental approaches to regulation, including the so-called ‘regulatory sandboxes’.¹ Such sandboxes should also be established at EU level. In collaboration with the European Commission, the German Presidency should initiate a policy dialogue on EU’s regulatory sandboxes as a potential way to improve the quality and speed of regulation, to provide legal clarity to innovators across Europe and to reinforce the integration of the Single Market in the field of research and innovation.
- promote a **flexible approach to open access and strengthen IP protection**. Horizon Europe’s rules should not jeopardise the legitimate interests (i.e. commercial exploitation, data protection rules, privacy, trade secrets, Union competitive interests, security rules or IPR) and confidentiality constraints of stakeholders. Instead, the “as open as possible, as closed as necessary” principle should be the core principle when implementing the open science policy. This means that applicants for Horizon Europe funds who prefer to opt out of open access should not be at a disadvantage, not least since they are more likely to create market impact.

¹ In its most elaborate form, a regulatory sandbox is a collaboration between an innovator, a regulator and other relevant stakeholders in order to explore the design of new regulation, while considering different policy goals and allowing citizens to engage and voice their needs and concerns.



- support a **single European patent system** to allow innovative businesses to have a 'one-stop' shop for granting patents and raise quality and efficiency of patent protection in Europe. The rapid ratification of the Unified Patent Court Agreement is therefore key to get this system up and running for the benefit of innovative businesses and to raise quality and efficiency of patent protection in Europe.²

4. A just Europe

To improve the **performance of labour markets and social systems**, the German Presidency should:

- create the conditions for **spending well the money foreseen in the Next Generation EU recovery instrument**. EU funds must be used to boost investment and increase the earning and job creation-capacity of European business. Making the right choices will be crucial to ensure acceptance of this unprecedented European solidarity, for the repayment of this EU debt in due course, and for our children's and grandchildren's future.
- ensure that any initiatives in the area of **minimum wages** do not interfere in social partners' autonomy to set wages and respect the different national systems. In particular, determining what is an adequate minimum wage and who is covered by it, is the prerogative of member states and national social partners. The EU has no competence in regulating minimum wages. BusinessEurope believes that the best approach to progress on minimum wages is through the European semester process. Ensuring a stronger role of national social partners in statutory minimum wage setting is also necessary in a number of countries.
- support policies for **up/re-skilling the workforce** in the context of the discussion on the European priorities for vocational education and training policy until 2030, with a focus on promoting skills for innovation and increasing the number of STEM graduates. Policy makers should also create incentives for employers to invest and workers to participate in training activities. Social distancing requirements in the context of the Covid-19 crisis means that e-learning options need to be fostered and fully used. A broadly social partner led approach to employee training will deliver more effective and efficient outcomes than a purely individualised support mechanism, such as a learning account. Social partners have a key role to play, both at cross-industry and sectoral levels to improve skills matching in view of rapidly changing labour market needs. For example, more than two third of companies consider the lack of skills an obstacle to develop RDI projects in Europe.³ Moreover, EU level benchmarks could play a positive role to support Member States' reform agenda, for example, to improve the timeliness and effectiveness of education and training systems in terms of updating qualifications to changing jobs demands.

² This position is not supported by the Spanish Confederation of Employers and Industries (CEOE), the Confederation of Industry of the Czech Republic (SPCR) and the Confederação Empresarial de Portugal (CIP).

³ BusinessEurope RDI Survey (2019)



- support the political objective to **strengthen gender equality in Europe**. Women currently represent the largest untapped potential workforce. Tapping into this potential, by increasing women's labour market participation, is crucial. The main objective is to achieve a more balanced participation of men and women in economic activity across sectors, whereas today's reality is that women and men tend to be concentrated in some sectors and/or occupations. Advancing gender equality requires tackling gender segregation, as well as breaking down gender stereotypes. This is the main route to reduce the gender pay gap in future. By contrast, since binding legislations on pay transparency will not address the root causes of the wage gap, the effect will be negligible for employees, while it would generate great costs and administrative burden for employers. EU pay transparency legislation is also not needed as, in general, classification procedures through collective agreements already today ensure equal pay, as collectively agreed pay structures are task-based, gender-neutral and transparent. Moreover, national competence regarding pay needs to be respected, in particular in member states where wage formation is the sole preserve of the social partners. Lastly, the German Presidency should strongly support investments in child and other care infrastructures, according to the needs in different countries, as this can positively contribute to women's employment participation.

5. A strong Europe in the world

For an **ambitious bilateral trade agenda**, the German Presidency should:

- continue to negotiate **bilateral trade agreements** to promote further diversification of supply chains and increased market opportunities for companies especially SMEs. A key priority is to bring the agreement with Mercosur for ratification. Considering the size of the market, the level of commitments in the agreement both in terms of market access as well as sustainability including climate change, it is essential to speed up the process and establish closer ties and cooperation with the two major South American trading partners.
- reassess the **EU's relationship with its major trading partners: the USA and China**. The relationships should be stronger but also more strategic and beneficial for both sides. This includes addressing irritants, looking at ways to level the playing field while defining medium to long term measurable objectives and avenues of cooperation in key areas like WTO reform, climate change or digital trade. For the **USA**, BusinessEurope is preparing a dedicated position paper that sets out a positive agenda for our cooperation while addressing existing irritants namely the Airbus/Boeing dispute, the additional duties on steel and aluminium and the threats of 232 section on cars or 301 section regarding the digital services tax. For **China**, the priority should be to conclude a Comprehensive Agreement on Investment that delivers ambitious market access for European companies. It must include level playing field provisions that result in fair and equal treatment of European companies. While substance should prevail over timing in concluding these negotiations, the enhanced trade and investment that this agreement will bring would be a major contribution to the economic recovery efforts of both sides.



- prioritise avoiding cliff-edge for the **EU-UK relations**. Concrete progress in the coming weeks in all areas including the most sensitive ones like level playing field, governance and fisheries is key to allow for an ambitious and comprehensive agreement to be reached in time. Issues like tariffs and rules of origin, non-tariff barriers and regulatory cooperation, data flows, workers mobility, public procurement or air transport are important to maintain fluid trade between the EU and the UK. Both sides need to stay committed to the Withdrawal Agreement and Political Declaration, be pragmatic in defining landing zones to conclude a deal and ensuring a smooth transition to the new EU-UK relationship. Moreover, given the profound changes that will occur in the way to do business between the EU and the UK, it is essential to continue to help and support companies preparing to face this challenge.
- conclude the negotiations of the Post-Cotonou Agreement between Europe and the ACP countries. This would provide the right framework to bring the **EU closer to Africa**. Closer dialogue between public and private sector, education and professional training to meet African labour markets' future requirements, using the Economic Partnership Agreements as building blocks for the African Continental Free Trade Area are key elements to entrench Europe's role as Africa's greater partner for economic growth.

To **encourage open and free trade**, the German Presidency should:

- actively support the **WTO reform process**. The organisation will have a new Director General, and this could be a good opportunity to bring new momentum to the ongoing negotiations and re-engage the membership. The EU should play a leadership role in close cooperation with like-minded partners.
- renew efforts in view of adopting an **International Procurement Instrument** with the objective to ensure a balanced market access in the field of public procurement for European companies.

For **Europe's trade agenda to benefit global climate action**, the Environment Council during the German Presidency should:

- urge the European Commission to focus on more policy options than just **carbon border adjustments**. Our recent position paper "[What trade can do for climate](#)" contains twelve such proposals.

6. A Europe of security and common values

To ensure that the **EU lives up to our common European values**, the German Presidency should:

- ensure that basic **rule of law requirements** are respected, including when using EU funds. This is key for the functioning free market economies and democratic societies.



- build a **coordinated European solution to better manage migration** and move away from ad hoc crisis management solutions for refugees and asylum seekers. Instead, an agreement on a new common European asylum system needs to be found to pave the way for returning to a normal functioning of free movement in the Schengen area. At the same time, the EU should pursue a positive agenda to attract talented people from third countries that are equipped with skills needed on European labour markets.
- ensure that the European social partners are fully involved in the **Conference on the Future of Europe**. Social dialogue is a key feature of our economic and social model. We have taken note of the recent negotiating mandate of the Council on the Conference on the Future of Europe and believe that it should be more explicit on the need to involve the European Social Partners in that important exercise, both in content and governance structures. Doing so would also be in line with the European Parliament Resolution on this matter.

If we want to continue to ensure good living standards, live up to our European values and set an example for the rest of the world, we must maintain the competitiveness and economic sustainability of our European Union. We are at a turning point for Europe's future and its place in the world. The German Presidency can count on BusinessEurope to work together with them as 'team Europe' to bounce back from this crisis as rapidly as possible.