



Dr. Joseph Muscat
Prime-Minister of Malta
Auberge de Castille
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Malta

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Dear Prime Minister Muscat,

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

We are living decisive times for the future of Europe. The Maltese Presidency is leading the European Union in a crucial moment for the European Union. More than ever, Member States must show unity and cohesion and defend what has brought them together in the first place: the promotion of peace, EU values and the well-being of its people.

It is of utmost importance to find common ground and for leaders to reaffirm their commitment to open markets, which combined with appropriate policies particularly around skills, labour markets, investment and social protection, remain the best way of ensuring inclusive, balanced and sustainable growth.

A resilient and growing economy, and a continuation in the reduction of unemployment, will be fundamental for the European Union and its Member States to mitigate citizens' anxieties about the future and limit the rise in populism. The Maltese Presidency has to ensure that progress is made on EU proposals which can boost growth and employment. There is also still unfinished work to strengthen our Economic and Monetary Union which must be taken forward.

The UK government is expected to trigger article 50 of the Treaty during the Maltese Presidency. The EU and UK economies are profoundly inter-connected. Mitigating adverse consequences of Brexit for companies and citizens across Europe is essential. We want to maintain as close as possible economic relations between the EU and the UK. However, this must not happen at the expense of the integrity of the Single Market.

BusinessEurope counts on the Maltese Presidency to:

At EU level:

1. **Protect and advance the Single Market:** In a moment of protectionist tendencies, it is important to protect and advance the Single Market, the greatest EU instrument to create growth, jobs and business opportunities, and the tool which can bring the most evident benefits to citizens and companies. During the Maltese Presidency, it will be particularly important to find the right balance on the geo-blocking proposal and progress with the proposals on mutual recognition, insolvency law, consumer protection cooperation, and follow-up to the Services Package.
2. **Create a true Digital Single Market:** in order to take full advantage of the digital transformation and compete effectively worldwide. This should also be accompanied by actions to foster a



positive transatlantic digital economy dialogue with the new US administration. The EU needs to grasp the opportunities and values that digital can create, as well as solving existing issues, starting from incentivising investment in digital infrastructure and ensuring the free flow of data. Free flow of data is fundamental for a well-functioning Digital Single Market and the Maltese Presidency should support the introduction of a legal instrument that removes existing national data localisation requirements and prevents the creation of new ones.

3. **Press ahead with work on investment:** The Maltese Presidency must ensure a swift conclusion of the negotiations with the European Parliament on extending the European Fund for Strategic Investment which should remain a market-based instrument. Furthermore, it is important to discuss with Member States how to better take forward the work on regulatory barriers to investment, including those identified at national or sub-national level.
4. **Safeguard Schengen and manage refugee and migration flows:** The objective must be to manage the refugee flows, protect our external borders, reduce illegal migration and safeguard the integrity of the Schengen area. A fragmentation of Schengen would have significant negative economic consequences and would reduce confidence in the EU. It is therefore vital to take all necessary measures to safeguard Schengen.
5. **Making Europe an efficient energy market place:** For that, it is necessary that negotiations on the "Winter Energy Package" lead to a market-based and cost efficient policies, which minimises overlaps of EU legal instruments. In particular, the Maltese Presidency should ensure that the Council debate do not result in undermining our decarbonisation efforts, by weakening the market effectiveness of the EU ETS. The proposed energy efficiency directive risks having a significant impact on the supply and demand of allowances and on the carbon price. Instead, we should create an enabling framework more conducive to investments in energy efficient projects with the highest potential e.g. thermal renovation and technological up-scaling of the existing building stock. Also, great attention should be paid to the lessons learnt from the implementation of the various parts of the energy efficiency framework so far.
6. **An ETS reform which works for all sectors and ensures commitments under the Paris Agreement are met:** Trilogue discussions must ensure a well-reformed system which combines the need for a meaningful carbon price with the need to strengthen the global competitiveness of Europe's industries to prevent investments from flowing out of Europe. Moreover, it must be ensured that all signatories of the Paris Agreement stick to their commitments.
7. **Support European industry:** A strong industrial base is fundamental for strong economic activity across all sectors of the economy including services. European industry faces enormous challenges and increased competition from other areas in the world. A structured dialogue that brings coherence into all industry-related initiatives and assesses the strengths and weaknesses of the EU governance on industrial competitiveness is needed.
8. **Agree on an efficient waste management system:** Waste must be looked at as a valuable resource to recover for the economy and the environment. The main objectives should be to harmonise definitions and the methodology applied to measure current performances of Member States as well as progressive achievement of the EU targets.
9. **A relevant mid-term review of the MFF:** The mid-term review of the Multiannual Financial Framework (MFF) must be relevant and not simply be seen as a required exercise. The MFF review must focus on 4 priority areas: 1) a budget that combines flexibility and predictability; 2) a budget that focuses on results; 3) a budget that delivers EU public goods; and 4) a budget for the future.

10. **A solution-oriented social dialogue:** The Maltese Presidency will have an important role to follow-up on the new start of the social dialogue which should become more solution-oriented.

On international issues:

1. **Define a coherent global EU strategy with a strong economic pillar:** Using a single EU voice in the international arena allows to better promote our economic interests. Trade policy, including market access for goods, services and resources as well as modern and effective trade defense instruments, must be the central pillar of the EU global strategy.
2. **Press ahead with ongoing free trade negotiations:** The European Parliament's consent to the provisional application of the CETA agreement with Canada beginning of 2017 is essential for the credibility of the EU as a trading partner. Concluding an ambitious agreement with Japan as soon as possible, without putting speed at the expense of substance and sending clear signals to the US new Administration that we remain committed to the transatlantic partnership, including the negotiations of a comprehensive trade and investment agreement is also key to boost growth and employment in Europe. Reaching agreement with key partners, whose values are closer to ours is extremely important if we want to shape globalization around democratic and fundamental rule of law principles. An early start of the ratification process of the agreement with Vietnam is also an important stepping stone for an ambitious EU trade policy with South-East Asia.
3. **Engage in a sound and balanced economic relationship with China:** This will require to resolve the sensitive question of the way we treat China in anti-dumping procedures, in coordination with other major WTO members, in order to reach a decision that is in line with WTO and EU law, that takes into account the remainder of Section 15 of China's WTO accession protocol, and that maintains effective trade defense instruments reflecting the real market situation in China today and in the future.

Further details on what European companies expect from the Maltese Presidency are set out at annex. We also made concrete recommendations on the future of Europe ahead of the EU 27 summit in February 2017.

I look forward to working constructively with you and the different members of your government during the next six months in order to build a strong European Union answering companies' and citizens' concerns about the future.

Yours sincerely,



Emma Marcegaglia



BUSINESSEUROPE'S PRIORITIES FOR THE MALTESE PRESIDENCY OF THE EU

AT EU LEVEL:

1. Protect and advance with the Single Market

In a moment of protectionist tendencies, it is important to safeguard and improve the functioning of the Single Market, the greatest instrument of the EU and the tool that can bring the most evident benefits to citizens and companies. During the Maltese Presidency, it will be particularly important to find the right balance on the geo-blocking proposal and progress with the proposals on mutual recognition, company law and follow-up to the Services Package.

Services Package: While services represent the largest share of the EU economy, cross-border service provision is still underdeveloped. The Commission is presented a "Services Package" in January which contains important initiatives such as the proposals for a European services e-card, a better Services Notifications Procedure, a proportionality test on regulated professions and guidance on the reform need on regulated professions, which can make the Single Market work better. BusinessEurope supports actions to further integrate services markets and remove lingering barriers for providing services in another Member State. It will be key to carefully assess the proposals on the table and to see if they genuinely help achieve these objectives. The Maltese Presidency has a key role to play in this regard.

- On the services e-card, BusinessEurope believes that this is a novel approach that could help businesses to go cross-border and work within the Single Market. However, it will only work if it is well-designed and if the targeted companies in the construction and business services sectors really see the added value. With the e-card, companies should be able to skip certain administrative procedures and requirements already fulfilled in the *home* Member State, thereby saving time and costs both for businesses and public authorities, also through better communication between different national authorities via the existing Internal Market Information (IMI) System. Furthermore, the initiative should also lead to regulatory simplification as Member States become more aware of each other's procedures and share best regulatory practices. It is essential to better involve relevant business stakeholders and the targeted sectors in the European services e-card discussions to ensure it meets business' needs and truly saves time and costs both for companies and public authorities; otherwise this novel approach will not work.
- On the notification procedure, BusinessEurope supports the proposal to introduce a new legal instrument to improve the current notification procedure for services laid down in the 2006 Services Directive. This should ensure that extra national requirements are always notified and can only be kept if proportional and in line with EU legislation and Single Market principles. Member States must be obliged to notify any new additional regulation imposed on service providers and the "burden of proof" should be on national authorities to show that these measures are needed and proportional to reach a certain public interest goal. Otherwise the national measures should be de facto considered void and not applicable. BusinessEurope is in favour of a "standstill clause" for the period during which the Commission is



assessing whether or not new national regulations are in line with EU legislation and Single Market principles. The revised notification obligation/procedure should include national requirements that go beyond the current scope of the notification obligations in the 2006 Services Directive. The existing obligation to notify merely covers national requirements of an “establishment nature” (art. 15, 2). However, under the revised notification procedure, national requirements concerning the nature, content or performance of the service in question should also be subject to the notification obligation. Furthermore, the new revised notification procedure should provide transparency about the notified requirements, as well as the comments and objections from other Member States and the Commission.

- On the proportionality test on regulated professions and Guidance on reform need on regulated professions, BusinessEurope supports setting up a *proportionality test* before adopting or reforming national regulations on professions as it can help identify and remove unnecessary regulatory barriers. At the same time, we recognise that there may be valid policy reasons to justify regulated professions, for instance for security or safety reasons. The recognition of professional qualifications throughout Europe is fundamental for a well-functioning Single Market for services. There are about 800 different activities in the EU that are considered to be regulated professions in one or more Member States and are reserved for providers with specific qualifications. Whilst in certain cases there may be valid policy reasons to justify this practice - to ensure access to a profession to people with the required skills level to perform well, or for security or safety reasons - this does not always seem to be the case. Many activities are regulated in only a few Member States and more than 25% of them are regulated in just one Member State. The high number of regulated professions and specialisations is fragmenting labour markets and hampering service provision or establishment across borders.

Geo-blocking: Following the agreement in the Council on the general approach, it remains of the utmost importance that the outcome of the negotiations with the European Parliament lead to greater clarity in the text to provide certainty to traders and customers. This is paramount for businesses and consumers to feel encouraged to engage in the Single Market. The Regulation should clearly state that, when fulfilling the de facto obligation to sell, the trader can indeed solely rely on his own home country rules (for instance in terms of contract law, labelling, product safety rules, VAT, etc.). Providing legal certainty also entails that the Regulation should clearly spell out that sales falling under its scope are considered as non-directed activities, and that the Rome I and Brussels I Regulations do not apply. At the same time, BusinessEurope urges the Maltese Presidency not to overlook the objective of tackling remaining fragmentation in the Single Market, which is the real root cause of geo-blocking and differential treatment in the first place.

Mutual recognition for goods: No effective system of redress exists for businesses when denied their right to mutual recognition. Member States can only derogate from this principle for justified public interest reasons that are proportionate to achieving their intended aims. However, no mechanism exists in practice for Member States to determine what exactly is ‘justified’ or ‘proportionate’. Applying the “quick-assessment procedure” (QAP) would answer these difficult questions in practice and develop common answers through peer to peer Member State assessment. Transparency also would also promote better application of the principle overtime and demonstrate particularly problematic sectors to the Commission.

Consumer Protection Rules: BusinessEurope is in favour of measures which ensure an effective and uniform enforcement of consumer protection rules in the Single Market. The



Consumer Protection Cooperation Regulation revision follows this approach and, importantly, focuses on the need for authorities in different countries to make comparable interpretations and coordinate their actions. However, BusinessEurope questions the need for detailed lists of the powers of national authorities. In most jurisdictions, they are in the hand of national courts, not the public administration. Giving these powers (e.g. closing down of websites) to administrative authorities might undermine fundamental rights of companies provided under national law. A list of powers will not necessarily ensure more uniform enforcement and, in addition, it might become disproportionate as there are no guarantees foreseen, such as the right to appeal, against the extra powers given.

Posting of workers: It is important to secure good conditions for enterprises to post workers across the EU Single Market. Posting is important to bridge labour and skills shortages, to increase competitiveness, and to provide cross-border services. Companies strive to follow the rules and respect the law. They are concerned that the Commission proposal to revise the posting directive will create problems and uncertainties for them and their employees, and will be detrimental to the growth of trade in services across the EU.

2. Create a true digital single market

Digital Single Market: It is imperative that Europe's economy grasps the full benefits of digitisation. Completing a fully functioning Digital Single Market will gain Europe 4% of GDP by 2020. But not only this, strategically digitisation has become a necessity to compete on the global stage to lead in setting the playbook for others to follow. This means fostering a positive transatlantic dialogue with the new Administration in issues such as digital economy, a dialogue on emerging issues like Internet of Things technologies, but also cooperating closer on ongoing issues, such as global digital standards setting. For Europe, this means setting a legislative framework that encourages digital transformation. European policy can achieve this through following up its Digital Single Market Strategy with work streams that truly support competitiveness, innovation and future investment. It is critical that digitalisation is taken into account with regard to EU spending and tools to incentivise investment – this is why we support the Strategy to Digitise European Industry through granting EUR 500 million to create a network of Digital Innovation Hubs. European funds themselves should be re-focused to support businesses to digitally transform sooner.

Free Flow of Data: a truly functioning Single Market and Digital Single Market are unthinkable without the free flow of data throughout Europe's national borders. Europe needs to adopt an innovation-friendly approach to data to empower the digitalisation. The legislative framework for data must allow companies to compete globally, foster the creation of new business models and ensure a level playing field, with legal certainty and stability. Companies in Europe are already facing various data localisation restrictions, which are likely to increase in the future in absence of EU action. In addition, there are many other indirect, non-legislative barriers that stifle free movement of data further (for example localisation requirements in public procurement). The EU should introduce a legal instrument that removes existing national data localisation requirements and prevents the creation of new ones, and the Maltese Presidency should support swift progress in its adoption.

3. Press ahead with work on investment

The investment situation in Europe is slowly improving but the pace is still timid and the investment gap remains wide. The EFSI is a welcome tool to help mobilising private



investment in Europe, and initial results are encouraging. It is important that the revised regulation, currently under discussion to extend the EFSI and boost its capacity, is swiftly agreed during the Maltese Presidency and incorporates the lessons drawn from the experience so far. In particular, it is important to address the issues of geographical coverage, additionality, blending of instruments, and a more proactive Hub. Furthermore, it must be ensured that the EFSI remains market-based, financing the best available projects, aligned with EU key objectives but without prioritising specific sectors or regions.

Targeted increases in public investment are important, particularly when used to address key infrastructure and skills barriers. Some Member States need to increase their public investment, while others need to optimise it. The quality of public investment should guide the decisions in this regard.

Moreover, despite its strengths, the EU is still perceived an expensive and complicated place to do business. Only by addressing existing barriers to investment in Europe will we be able to attract investment in a long-term perspective. Many of these barriers are found at national level for what the Maltese Presidency could play an active role in discussing and advancing the process on how to hammer down barriers at national and sub-national level.

The recent Commission Start-up and Scale-up Initiative confirmed BusinessEurope's analysis that insufficient attention is paid at EU and national level to the scaling-up of SMEs. BusinessEurope counts on the Maltese Presidency to promote the removal of obstacles hampering startups and SMEs growth and to simplify SME access to ESIF funding.

4. Safeguard Schengen and manage refugee and migration flows

The Schengen Agreement that abolished border controls between 26 European countries is one of the most important achievements and visible symbols of European integration. But massive inflow of refugees led some countries to introduce temporary border controls.

A fragmentation of Schengen would lead to wide-ranging and significant negative economic consequences at a time when the economic recovery remains fragile. Moreover, a breakdown of Schengen, which has been a cornerstone of economic integration, would reduce confidence in the EU. It is therefore vital that Member States and the Commission take all necessary measures to safeguard Schengen.

In line with the conclusions of the European Council from 15 December 2016, the effective application of the principles of responsibility and solidarity remains a shared objective. BUSINESSEUROPE supports the EU's strategy to strengthen Europe's external borders, including both contingency actions and measures requiring more time to be fully implemented. We are fully aware that securing our external borders in a smart way is a large-scale project which necessitates adequate public investment. In this specific case, we support increased EU means to better protect our external borders. We believe that this can also be a win-win for all sides, triggering investments into relevant technologies.

5. Making Europe an efficient energy market place

It is undisputable that the EU must continue to make its economy more energy efficient and European business has always stood at the forefront of these efforts. It is not a question about being in favour or against energy efficiency. It is about putting in place a coherent framework without overlaps of EU legal instruments. BusinessEurope perceives the



increase of the energy efficiency ambition level to 30%, with binding nature, as a wrong signal for investors and society, undermining the current structure of energy and climate policy because:

- the proposal weakens the EU's efforts to strengthen the EU ETS system as the flagship of our decarbonisation efforts. Instead we should increase the flexibility of this instrument to apply most cost-effective measures adapted to local specificities and potential;
- according to Commission data and economic modelling, increased target would push the carbon price down, disincentivizing needed investments in low carbon technologies;
- we also need to ensure a cost-effective and realistic approach. Comparing energy investments of the last decade with forecasts of the Commission with a higher target implies an increase in investments for the coming period by more than 400%.

The Maltese Presidency should ensure the EU maintains the ambition on the level of 27%, with a non-binding target. This would be consistent with the previous political agreement among heads of states in October 2014. Such an approach would secure long term competitiveness of the industry and a stable investment framework. Meanwhile it is necessary to make the Energy Performance of Buildings Directive proposal more ambitious to deliver the efficiency gains in more cost-effective way.

The Presidency should look into means to tackle and resolve the issue of overlaps between effects of the Energy Efficiency Directive and other policies and the functioning of the EU ETS. It shall ensure coherence between the provisions of the Article 3 and 7, while the target in the Article 7 is set without considerations to already achieved level of savings in individual Member states and their national specificities. For the Article 7 it is essential that national circumstances, energy efficient potentials as well as the overall deliveries through other regulatory means are taken into account.

6. An ETS reform which works for all sectors and progress with the Paris Agreement

Make the EU ETS work for all sectors involved: Votes on the EU ETS reform in Parliament and Council, as well as the Trilogue negotiations will most likely occur during your Presidency. A well-reformed system will combine the need for a meaningful carbon price with the need to strengthen the global competitiveness of Europe's industries to prevent investments from flowing out of Europe. A [recent BusinessEurope survey](#) found that 89% of respondents expect a higher future carbon price, and 71% said this would likely negatively affect their investment decisions in Europe. Europe's leaders will only have one chance to make this reform a success, with your Presidency in the driver's seat.

Hold all major economies accountable for their promises under the Paris Agreement: The EU stays fully committed to the climate agreement made in Paris and expects all other signatories to stick to their commitments as well. If not, it would be a major blow against international efforts to protect our climate. Europe cannot shoulder CO₂-reductions that the US or other large economies have committed to reduce.

7. Support European Industry



Industry is crucial for growth and employment in all sectors of the economy, including services. European industry and its employees strongly believe in Europe but need a positive signal now. The Commission approach of mainstreaming industrial competitiveness is important but not enough. A structured dialogue that brings into coherence all industry-related initiatives and assesses the strengths and weaknesses of the EU governance on industrial competitiveness is needed. A strong alliance is calling for an ambitious new industrial strategy: European industry, the European Trade Union Confederation, the European Parliament and 17 EU Member States. BusinessEurope will work closely together with the Maltese Presidency to strengthen the role of the Competitiveness Council and to keep this strategically important topic high up on the EU agenda.

8. Agree on an efficient waste management system

In the following semester, the European Parliament and the Council of the European Union are expected to move towards the adoption of an official position on the revision of the waste legislation. It is time for Europe to put in place a more efficient waste management system, looking at waste as valuable resource to recover for the economy and the environment. Therefore, key objectives must be to ensure the harmonisation of the definitions and of methodology applied to measure current Member States performances as well as progressive achievement of the EU targets. The Maltese Presidency should ensure these aspects are duly addressed in Council discussion as pivotal to the adoption of any related and meaningful policy.

9. A relevant mid-term review of the MFF

The Multiannual Financial Framework (MFF) 2014-2020 was agreed in early 2013, amid the sovereign debt crisis and high uncertainty regarding the Euro. Since then, while the situation has improved, many new challenges have emerged, some of which required swift mobilisation of EU resources. The MFF review must focus on 4 priority areas:

A budget that combines flexibility and predictability: The flexibility of the EU budget to face further unexpected events over recent years has been stretched to the limit. This leaves the EU in a fragile situation if further exceptional circumstances arise. Moreover, the pressure of unforeseen events and quick mobilisation of funds is always done at the costs of programmes which do not have pre-allocation by Member States and, in most cases, are highly performing and already underfunded such as Connecting Europe Facility and Horizon 2020. This shows the need for further flexibility in the budget. At the same time, we need predictability. All measures which aim at increasing the flexibility of the budget must be foreseen within the limits of the budget and not in special instruments outside the budget, in order to also give further certainty to EU Member States. The ceilings agreed upon for the MFF period should be respected. The flexibility proposals made by the Commission must ensure that a continuous offsetting is possible, particularly when it involves carrying it over the years, in order not to create a new EU backlog payment crisis at the end of the period.

A budget that focuses on results: The notion of a *performance-based budget* is welcome and should guide to a greater extent the way the EU budget is structured and European money spent. It is absolutely necessary that EU funds are spent in an effective and efficient way, in those areas with clear EU added value, and where it shows results. Further simplification will be needed and it is important to draw lessons from well performing programmes.



A budget that delivers EU public goods: The EU budget must reflect EU priorities and be active in areas of clear EU added value, combining the need of investment in key areas for our common future. This requires a clear analysis of the areas where EU intervention brings value and structuring the EU budget in a logic of delivery of EU public goods.

A budget for the future: We need a budget for the future and not a continuous muddling through of the structure of the budget. The next MFF will need to address the more fundamental issues identified in the current period, but the mid-term review must serve as an opportunity to address short-term needs, take forward serious reflections about the EU budget and introducing necessary changes in order to start building strong foundations for the upcoming MFF.

10. An employment friendly approach to social Europe

Europe's social problems are linked to competitiveness weaknesses, not to a deficit in social legislation. The only way to put an end to a shameful European paradox (the co-existence of high unemployment and of unfilled job vacancies) is to take an employment friendly approach to social Europe, encouraging reform labour markets and measures to improve the efficiency of education and training systems. Public authorities and social partners must join efforts to achieve these goals.

The Maltese Presidency will have an important role to follow-up on the new start of the social dialogue. To play a positive role, social dialogue should become more solution-oriented. Employers prioritise a dialogue that focuses on bringing a positive contribution to Europe's competitiveness, and to making social systems sustainable. At European level, this means creating a new policy approach articulated around the cooperation between national governments and social partners. More forceful implementation of labour markets reforms will play a key role to achieve at the same time job creation and productivity growth.

On international issues:

1. Define a coherent global EU strategy with a strong economic pillar

Instability around the EU borders, terrorism, security threats and the refugee crisis are having an impact on business and the day-to-day life of companies. Furthermore, international economic tools are increasingly used to pursue political objectives. The EU's economic interests must be promoted if we are to secure the strong economy which will allow Europe to face its many challenges and regain its global leadership.

The European institutions must define a coherent global strategy for the European Union, aimed at ensuring world leadership in trade and investment. The economic dimension must be an integral part and provide a long term economic vision. Trade policy, including market access for goods, services and resources as well as modern and effective trade defence instruments, must be the central pillar of this EU global strategy.

The EU's Foreign Economic Diplomacy should benefit from the EU's superior negotiating leverage vis-à-vis our key economic partners and develop clear and consistent strategies that promote more effectively our economic interests.



Using a single EU voice in the international arena allows to better promote our economic interests. EU leverage must be used to open new market opportunities for European companies in third markets, ensuring strong coordination between EU and Member States' actions and in close cooperation with business.

We count on the Maltese Presidency to ensure that the economic dimension is fully taken into account in the discussions on the EU global stagey.

2. Press ahead with ongoing free trade negotiations

The European Union must press ahead with ongoing free trade negotiations. BUSINESSEUROPE is in favour of concluding an ambitious agreement with Japan as soon as possible. However, a speedy conclusion cannot be at the expense of substance, therefore the right conditions must be on the table. Sending clear signals to the US new Administration that we remain committed to the transatlantic partnership, including the negotiations of a comprehensive trade and investment agreement is also key to boost growth and employment in Europe.

We count on the European Parliament to give its consent to the ratification allowing for the provisional application of the CETA agreement with Canada in February 2017. This agreement is expected to increase trade in goods and services between the EU and Canada by nearly a quarter and to increase EU GDP by about €12 billion a year. It sets extremely advantageous rules in important areas for the EU such as public procurement and intellectual property rights (including geographical indications). Two years have passed since negotiations were concluded and we need to make this agreement a reality. Time is of essence for business. If we are not in the market, others will be there before us.

3. Engage in a sound and balanced economic relationship with China

The Commission recently proposed a new regulation on protection against dumped imports from non-EU countries. We call on the Maltese Presidency to play an active role in ensuring the process goes as smoothly as possible until implementation of a new legislation. BusinessEurope is currently assessing the proposal and we look forward to working with you on this topic during your presidency.

It is important to address the sensitive question of the expiry of part of China's WTO accession protocol in coordination with other major WTO members in order to reach a decision that is in line with WTO and EU law. The EU should take into account the remainder of Section 15 of China's WTO accession protocol, and maintain effective trade defense instruments that reflect the real market situation in China today and in the future.

China has emerged as an important player on the world scene and is a key trade and investment partner of the EU. It is important to strive for a sound and balanced economic relationship with China. International engagement is key in resolving the sensitive question of how we treat China in anti-dumping procedures. This is not a bilateral issue and the European Union is not alone in taking this decision. Europe should coordinate with other major WTO members in order to avoid trade diversion as a consequence of differing views.