



**Mr Antonis Samaras**  
Prime Minister  
Megaro Maximou  
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Greece

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Dear Prime Minister,

### **BUSINESSEUROPE's priorities for the Greek Presidency**

Greece is assuming the Presidency of the Council of the European Union at an atypical moment. The upcoming European Parliament elections and last months of the Commission mandate are taking place in a complex economic context despite the progress made in addressing some of Europe's weaknesses. It will be absolutely essential to make as much progress as possible on key pending European proposals during the first quarter of 2014 and prepare the ground for further progress after the European elections.

BUSINESSEUROPE therefore urges the Greek Presidency to focus on finalising or implementing recent decisions to restore competitiveness, which are essential to foster more growth and increase job creation.

Improving industrial competitiveness is key to boost growth and employment. To further improve the investment climate and transform the timid positive economic signals observed recently, the Greek Presidency must pursue the efforts made in the last months to refocus all European policies on improving competitiveness throughout Europe. In this context, we draw your attention to 6 policy areas which are essential priorities for BUSINESSEUROPE's members:

- Finalising decisions on the Banking Union and implementing structural reforms
- Strengthening industrial competitiveness
- Stepping up labour market reforms to boost employment
- Reassessing the approach to energy and climate policy
- Developing the Single Market
- Opening up new global market opportunities.



## **1. Finalising decisions on the Banking Union and implementing structural reforms**

A properly functioning Banking Union and an efficient Economic and Monetary Union are essential to improve access to finance for companies, enhance our resilience to financial shocks, and support cross-border trade and investment.

The December EU Council agreement on the Banking Union is an important step forward, particularly with the development of a cross-EU resolution fund. We hope discussions between the Council and the Parliament will provide the opportunity to address concerns expressed that the decision-making process for resolution should be quick and not overly complex. BUSINESSEUROPE counts on the Greek Presidency to ensure that the compromise is formally adopted before the European elections.

Progress on the Banking Union alone will not be sufficient to return to long-term sustainable growth in Europe. Greater progress must be made in implementing structural reform in all EU Member States.

BUSINESSEUROPE counts on the Greek Presidency to avoid any complacency about the implementation of the country specific recommendations adopted last year across the EU and delivering the commitments taken in terms of public finances consolidation in the context of the European semester. Investors need to be confident that the efforts that are starting to deliver results will continue to develop their activities in Europe and create jobs.

## **2. Strengthening industrial competitiveness**

Re-industrializing Europe is key to enhance growth and job creation. It is fundamental that the Greek Presidency ensures that enough emphasis is put on industrial competitiveness. Strengthening the competitiveness of companies of all sizes and across all economic sectors requires a concrete strategy and action plan. Unnecessary costs or regulatory burdens on companies must be tackled if we want to boost growth and job creation.

The importance of industrial competitiveness is now much better recognised than in the past but there is still a huge gap between proclaimed objectives and real policy action. To bridge this gap, the future EU Industrial Compact must foresee a fundamental change in European industrial governance. Industrial competitiveness must be prioritised and mainstreamed throughout all policy areas (innovation, employment, financial services, energy, climate, environment, corporate governance, etc.) and by all decision-making levels (European Commission, European Parliament, different Council formations, implementation by Member States).

Digital technology developments are a key enabler of business growth even in the traditional economic sectors. The EU should effectively promote innovation through all sectors and areas of the economy, especially among those linked to the digital economy which will transform European industry.

BUSINESSEUROPE counts on the Greek Presidency to ensure that the role of the Competitiveness Council is significantly scaled up to become the gatekeeper of competitiveness in the EU. Furthermore, the European Semester and its country specific recommendations must take due account of industrial competitiveness and must be implemented by Member States in a consistent manner.





### **3. Stepping up labour market reforms to boost employment**

Like the Greek Presidency, BUSINESSEUROPE believes that jobs and growth are inextricably connected and that fighting unemployment is a key priority both for social cohesion and growth reasons. To achieve higher growth and enhance the employment content of growth, labour market reforms must focus on facilitating job creation, labour market participation in general, and labour market transitions throughout people's working lives.

The persistence of youth unemployment must be tackled urgently. But more young people will not be integrated on labour markets if the regulatory burden of employing people is increased. BUSINESSEUROPE is fully backing efforts to promote apprenticeships. However, we have strong reservations about the suggested European status for apprentices and quality framework on traineeships. Apprentices and trainees are at the boundary between education and work and their status has to be defined at the national level, not by the EU.

The Greek Presidency will have the delicate task of finalising the negotiations on the Posting of Workers Directive with the European Parliament. Shifting the burden of enforcing workers' rights onto client companies through "joint and several liability" system is creating onerous responsibilities. BUSINESSEUROPE therefore counts on the Greek Presidency to ensure that the minimal flexibility introduced in the final Council compromise is preserved and that the option to use other appropriate measures to fight abuse is maintained.

### **4. Reassessing the approach to energy and climate policy**

Taking the right approach in energy and climate policy is of strategic importance to improve our industrial competitiveness.

The Greek Presidency must ensure that, in the 2030 Energy and Climate Framework, the EU's energy and climate goals of cost-competitiveness, security of supply and climate objectives are put on an equal footing. Europe must closely monitor energy competitiveness and security of supply to make sure that the three objectives are well balanced. The level of ambition of the EU's CO<sub>2</sub> emissions reduction target by 2030 needs to be fixed with great caution. The target must be realistic and adaptable to avoid placing the EU as an isolated frontrunner continuing rising its level of ambition while it hasn't delivered the expected comparable efforts by our main global competitors.

BUSINESSEUROPE also urges the Greek presidency to work towards the effective implementation of the European internal energy market to ensure secure and affordable energy for industrial consumers, to reduce distortion of competition and ultimately to strengthen the competitiveness of European industries on global markets. Furthermore, intra- and cross-border energy infrastructures must be developed and national regulatory barriers must be reduced to foster competition and production and consumption of energy.

## **5. Developing the Single Market**

A vibrant Single Market is a crucial driver for renewed European industrial competitiveness, greater innovation and enhanced job creation. Further integration and better functioning of the Single Market is therefore also a key priority during Greek Presidency.

BUSINESSEUROPE counts on the Greek Presidency to encourage Member States to refrain from protectionist attitudes and actively contribute to the smooth functioning of the Single Market through better transposition, implementation and enforcement of its rules. The principle of mutual recognition deserves special attention as wider application of mutual recognition in all areas of Single Market policy can truly boost the Single Market.

In the area of services, the recent peer review shows that Member States have kept many national requirements hampering cross-border provision of services. It is time to move beyond a strictly legalistic approach of the implementation of the 2006 services directive by removing requirements hampering the development of cross-border services, even if they are not *stricto sensu* banned by the 2006 services directive.

The current legal framework on product safety also needs simplification and market surveillance must be strengthened. Unnecessary costs and burdens for business, such as the proposal for an 'EU Safety Tested' marking, which would indicate that the marked product has been tested by an independent third party, should be avoided at all costs.

## **6. Opening up new global market opportunities**

30 million EU jobs (more than 10% of the EU workforce) depend on export markets outside the EU. Enhancing market opportunities for European companies on global markets is crucial to promote growth and jobs

BUSINESSEUROPE counts on the Greek Presidency to support the work of European negotiators towards swift conclusion of the EU-US Transatlantic Trade and Investment Partnership. An ambitious agreement could add more than € 86 billion to the EU's annual economic output, increase EU exports by 28% and create thousands of jobs. We need tariffs to be reduced to zero as well as elimination of non-tariff barriers. We need regulatory cooperation on the basis of mutual recognition, which means that both sides accept in their market goods and services approved for sale in the other market. For investment, we need equal treatment between local and foreign investors.

Legitimate concerns and caveats from public opinion must be taken into account. But we must not give in to irrational fears and undermine the unique opportunity that successful TTIP negotiations would bring in terms of job creation and increased production in Europe.

We count on you to reach concrete results on all these points and look forward to working with you during the Greek Presidency.

Yours sincerely,

  
Emma Marcegaglia