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Message to the Bratislava summit on 16 September 2016

Introduction

All the big challenges facing us today (security, migration, the decision of the United Kingdom to leave the European Union, climate change, economic and social development, etc.) have an international dimension. Efficient solutions can only be found if we work together at European level.

The EU and the wider European business community strongly believe in the future of Europe. Business is and wants to be part of the solution. However, in order to be able to fully play their role in society, European companies need a supportive environment.

The European Union has to introduce reforms for its own sake. But making concrete steps to build a better Europe is more urgent than ever after the UK referendum.

The EU Institutions, in particular the European Commission, should continuously work to restore European unity. In parallel, member states must live up to their responsibility and stop blaming the European Union for their collective inability to act in a coherent way at EU level or for national policy mistakes. They must urgently bring real and sustainable answers to citizens' concerns on issues such as immigration, employment and social inclusion.

Member states, together with the EU Institutions, must also swiftly act to develop a positive narrative on the European Union and better explain the crucial role of international trade and investment as an engine for national prosperity.

The future of Europe

The European Union must recreate the conditions to be a prosperity and security zone. It can turn the challenges it is facing into a success story, provided that EU member states rapidly agree on a consistent strategy and reconfirm their commitment to the EU and its three main economic pillars: the single market, the common international trade policy and the euro.

Doing so is absolutely crucial to address companies' and citizens' legitimate aspirations for security as well as prosperity and create more opportunities for young people who are particularly hit by unemployment.

BusinessEurope counts on the summit in Bratislava on 16 September 2016 to make real progress in the definition of a twofold approach including rapid deliverables as well as longer term solutions adding real value for citizens and companies by improving the functioning and governance of the European Union.



For BusinessEurope, this European strategy should

1. focus on where the EU can indeed add value and stay away from matters better dealt with at national level (more Europe where needed, such as for external borders management, to further develop the Single Market and to govern the Eurozone and less where it does not add value);
2. define and implement a really coherent global strategy with a strong economic pillar and an ambitious trade policy to open up market access for goods, services and resources as well as modern and effective trade defence instruments;
3. step up the implementation of pro-competitiveness policies both at the EU and the national level and ensure that words are converted into real actions;
4. defend Schengen, bring real European answers to the refugee crisis and defend our external borders, which are genuine common challenges;
5. improve governance of the Economic and Monetary Union (EMU) and bring real EU answers to the issues raised in the Five Presidents report.

BusinessEurope fully supports the aim of improving social cohesion. However, the only sustainable way of doing so is to create more and better opportunities for all citizens, not to increase taxes and levies which will undermine growth and job creation.

We call for swifter progress in

- protecting external borders to tackle illegal immigration and safeguard the Schengen area, which is essential to answer citizens' security concerns and improve their confidence in the EU;
- delivering the new single market strategy, which includes better application of mutual recognition in goods, enabling the reduction of administrative barriers through the European services certificate and streamlining the effectiveness of existing single market tools through creation of the single digital gateway;
- reversing the decline of manufacturing industry, facilitating innovation and digitalisation of the economy, notably by implementing the innovation principle and putting in place a coordinated policy framework to strengthen European industry without further delays;
- improving the future of young people through concrete measures to support member states in their efforts to develop apprenticeship, improve education and training, remove regulatory and cost obstacles to their recruitment and encourage young entrepreneurship.

After a decade of under-investment, productive private and public investment is essential for Europe's present and future growth and employment. BusinessEurope is favourable to an extension of the European Fund for Strategic Investment, provided that lessons are drawn from the first year of application, in particular concerning the



need to improve additionality, facilitate cross-border projects and support countries experiencing difficulties in mobilising this instrument. In parallel, EU and national efforts to remove regulatory obstacles to investment and to improve the overall business environment in Europe must be stepped up in order to allow for more investment.

A very important point of immediate attention is the trade policy of the EU. For decades, it has brought large benefits to EU companies as well as citizens and should continue to do so. In this context, BusinessEurope urges the member states to do their utmost to ensure a rapid signature and implementation of the CETA agreement with Canada and to make all the efforts possible to conclude an ambitious and comprehensive TTIP with the United States.

EU-UK relations

British voters have decided that their country should leave the European Union. BusinessEurope and its member federations respect this decision. Even though we all regret this choice, we are determined to focus on the way forward. We are ready to play a constructive role in the search of solutions to establish a sound and balanced new model for EU-UK relations in a stronger and more competitive Europe.

Only with strong foundations and resilient economies will the EU and the UK be in a position to deliver the prosperity and security that citizens on both sides of the channel aspire to. A significant part of EU and UK jobs depend on exports and our production processes are profoundly inter-twined. Creating unnecessary obstacles to the free flow of goods, services, capital, people, skills and innovative ideas should be avoided. Access to the EU single market should be based on a clear balance of rights and obligations.

The European Union needs a strong United Kingdom and the United Kingdom needs a strong European Union in order to pursue mutually beneficial relations in the future. The results of the referendum open up factors of uncertainty. Therefore, there is a need to organise the withdrawal of the UK from the EU in an orderly manner on the basis of article 50, avoiding any ambiguity about the commitment to free trade and pro-competitiveness policies.

BusinessEurope and its member federations call on both parties to ensure that the negotiations to define the new model that will govern EU-UK relations after Brexit are in line with the following principles:

- They are led in a true spirit of partnership and are based on mutual loyalty;
- They aim to mitigate the adverse effects of the UK decision to leave the EU for companies and citizens across Europe;
- They maintain as close economic relations as possible between the EU and the UK without undermining the EU integration process;



- They deliver achievable solutions in a reasonable period of time in order to limit uncertainty;
- They maintain the integrity of the Single Market without cherry picking between the four Single Market freedoms and avoid ill-designed compromises opening the way to “Europe à la carte”.

BusinessEurope counts on the summit in Bratislava on 16 September 2016 to make real progress in the identification of rapid deliverables as well as longer term solutions adding value for companies and citizens in order to strengthen the support for the European Union as an economic and security zone.