



Mr Donald Tusk
President of the European Council
European Council
Rue de la Loi 175
BE - 1049 Brussels
BELGIUM

17 June 2019

Dear President Tusk,

**Message to the European Council meeting on 20-21 June 2019
A focussed EU strategic agenda and no delays in appointing new EU leaders**

The next 5 years will be crucial, and the world is not waiting for us. The European Council must give strong signals concerning the strategic agenda to be pursued during the next EU institutional cycle and take the necessary decisions on the appointments of the new leaders of the EU institutions as soon as possible.

European business strongly believes in the European Union and wants to continue to empower our European way of life. To do so, companies need a European Union that is strong and setting the agenda in the world, a global leader in innovation, digitalisation and sustainability, functioning efficiently, and is economically cohesive and socially inclusive.

BusinessEurope counts on the European Council to swiftly agree on a strategic agenda that will ensure that Europe remains a model for economic development, social inclusion, environmental sustainability, democracy and the rule-of law.

For us, this strategic agenda should promote an entrepreneurial European society, further strengthen EU action in favour of small and medium sized companies and focus on the following priorities:

- defend rules-based trade, fight protectionism and create a level playing field by supporting a reformed multilateral trading system while maintaining an ambitious bilateral trade and investment agenda,
- further strengthen and develop cross-border trade and investment within a barrier-free Single Market as the basis of European prosperity,
- continue working on better regulation, giving more attention to the impact of new EU legislations on our competitiveness and attractiveness as a place to invest,
- support and facilitate research, development and innovation throughout the EU and the European Economic Area to regain our world leadership in technology and bring innovative products and services to the market,
- put in place a more strategic industrial policy that will allow European manufacturing and services value chains to compete with global economic powers such as the US or China and increase growth and employment across Europe,
- accelerate the cybersecure digitalisation of the European economy with freedom to innovate, upholding societal interests and ensuring that education and skills are fit for the digital age,
- complete the Economic and Monetary Union to strengthen trust in the Euro and provide a stable environment to investors,
- work towards the objective of climate neutrality (net-zero greenhouse gas emissions), while ensuring our competitiveness and security of energy supply,



- foster gradual economic and social convergence among member states driven by productivity gains and competitiveness and facilitate labour mobility in the Single Market,
- build a coordinated European solution to better manage migration and ensure the proper functioning of the Schengen area,
- continue to strive to avoid a no-deal Brexit and mitigate as much as possible the disruptive effect of Brexit for European companies.

To show that the EU delivers concrete results in the short-term, the European Council should also:

- adopt the Country Specific Recommendations (CSRs) and commit member states to much better implementation than today since only 20% of CSRs are satisfactory implemented according to BusinessEurope's Reform Barometer 2019, and
- conclude negotiations on the Multiannual Financial Framework during the Finnish Presidency, with increased funding for research, development and innovation and a budget of at least €120 billion in constant 2018 prices for HorizonEurope.

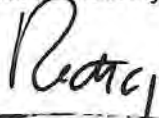
Regarding the EU long-term climate strategy, BusinessEurope would like to recall that it stands behind the EU ambition of net-zero greenhouse gas emissions (climate neutrality) to reach the objectives of the Paris agreement. This ambition needs to be closely connected to Europe's agenda on competitiveness and security of supply in order to reinforce each pillar in this triangle.

Reaching climate neutrality by around mid-century, as the IPCC Special Report and the European Commission's 2050 climate strategy consider is necessary to limit average global temperature increases to 1.5C, will fully depend on meeting a set of crucial framework conditions and related actions on both European and global level, namely:

- recognising different conditions and starting points for EU member states and boosting European coordination for cost-effective policy implementation,
- developing and deploying innovative technologies to support decarbonisation of value chains in Europe in a cost-effective way, unleashing investment through a comprehensive industrial strategy,
- ensuring large-scale availability of affordable low-carbon energy, designing an integrated value chain approach for energy supply,
- fostering adaptation of consumer behaviour and public acceptance for the low-carbon energy transition, engaging actively with citizens to gain societal acceptance,
- ensuring convergence of global climate ambitions, in particular with G20 countries, working together on up-dating Nationally Determined Contributions and developing common carbon mechanisms and considering additional safeguards to keep industrial production in Europe by preventing carbon and investment leakage.

European companies are committed to deliver a European Union resting on 3 pillars: profits, people and planet and count on the European Council to agree on a new strategic agenda that will support companies in their efforts to do so.

Yours sincerely,



Pierre Gattaz