



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

11 October 2019

Dear President Tusk,

Message to the European Council meeting on 17-18 October 2019

A strong economy is key to maintain our living standards

The global economic outlook and growth prospects for the European Union are deteriorating. It is more urgent than ever to put our economic house in order. If the EU is to maintain its living standards, live up to its values and set an example to the rest of the world, we must maintain the competitiveness and economic sustainability of our European Union.

European companies are at the forefront of delivering sustainable solutions that can ensure prosperity, while taking care of people and the planet. To fully play their role in society, they need a supportive environment.

What we want to spend, we first need to earn. The EU has to strive for economic sustainability and improve its capacity to generate economic growth over the long-term. Doing so is a precondition to generate the investment needed for social development and environmental protection.

The EU strategic agenda 2019-2024

Our detailed priorities for the next EU institutional cycle will be published in mid-November 2019. However, we have already identified 50 actions that will help putting our European house in order and can be taken during the first 100 days of the new European Commission (at annex). We invite the European Council to take them into account when discussing the strategic agenda for the European Union in 2019-2025.

For BusinessEurope, the strengthening of the European economy requires to mobilise 4 main drivers of our prosperity:

- pursuing policies favourable to innovation and investment in Europe, notably industrial and digital,
- defending the achievements of our Single Market and putting its further integration and well-functioning back at the centre of the EU agenda,
- continuing our efforts to further strengthen the Economic and Monetary Union in order to foster confidence in the Euro and provide a stable environment to investors,
- continuing with an ambitious and clear international trade policy to effectively fight the rising protectionism which threatens world growth and European exports.

The President-elect of the European Commission has given clear indications on the social and environmental agenda she intends to pursue. However, she still needs to spell out her economic agenda.

We count on the European Council to give clear signals on the need to propose a feasible way forward, ensuring that all the necessary attention is given to the impact of new EU policy proposals on Europe's competitiveness and attractiveness as a place to invest.

The Multi-annual Financial Framework for 2021-2027

BusinessEurope counts on the European Council to move forward with the discussions on the Multi-annual Financial Framework post-2020 in view of ensuring a timely decision which allows for proper preparation of the upcoming programmes. We cannot afford to repeat past mistakes. A timely agreement is necessary to minimize uncertainty and avoid delays in the start of the programmes and, consequently, powerful investment incentives.

The European Council must ensure that the next Multi-annual Financial Framework concentrates on enhancing our competitiveness, particularly in areas where the European Union can deliver concrete benefits, and help preparing industry for megatrends such as digitalisation and the energy transition. To be able to reach the EU target of investing 3% of our GDP in research and development, we need to allocate at least 120 billion Euros to the Horizon Europe programme, with 60% allocated to the Global Challenges and Industrial Competitiveness pillar. The overall budget needs to be of an adequate size to address common challenges.

Transatlantic trade relations

BusinessEurope is deeply concerned by the consequences of the Boeing-Airbus WTO panels and urged policymakers to reconsider the use of tariffs to settle the dispute. Tariffs will not only hurt the aircraft industry and its suppliers. It will also have a negative impact on a number of other sectors in the EU, which could be particularly harmful for certain Member States. This will be a lose-lose situation. In collaboration with the business sector, the EU should do everything to find a solution that protects the interests of European companies. Furthermore, the EU and the US should use the rulings as an opportunity to engage in a positive agenda and set the rules on subsidies in the aircraft industry that could level the playing field also in view of competitors in third countries.

The beginning of a new institutional cycle in the EU is an excellent opportunity to reset the Transatlantic relationship. The EU and the US should be working together in the face of common market challenges, not against each other. Tariffs will not only severely damage both of our economies but they risk seriously undermining the strongest and most beneficial bilateral relationship in the world.

These were the issues we wanted to bring to your attention ahead of the European Council meeting on 17-18 October 2019.

Yours sincerely,


Pierre Gattaz