



Mr Charles Michel
President of the European Council
European Council
Rue de la Loi 175
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BELGIUM

22 March 2021

Dear President,

Message to the EU Council meeting on 25-26 March 2021 Companies cannot absorb additional burden on top of the crisis

Ahead of the video conference meeting of the members of the European Council on 25 and 26 March 2021, BusinessEurope urges European leaders to pay more attention to the non-financial side of the European agenda. Many businesses are fighting for their survival and the future of their employees. They simply cannot cope with additional burden on top of the crisis.

Faced with the worst economic crisis since the second world war, the European Union has mobilised unprecedented financial resources. Now is the time to make the next step to pave the way to a solid recovery, build long-term competitiveness and empower companies to engage in a growth and employment intensive green and digital transition.

Companies are key to achieve Europe's ambitions. Already before the crisis, not enough attention was paid to the economic side of the agenda at EU level. Today, correcting this has become a question of survival. Hence this wake-up call.

To make sure we make optimal use of a historic EU financial effort and get out of this unique crisis, we urgently need a well-articulated European economic agenda, effective better regulation policies as well as acceleration in the roll out of vaccines and less restrictions at internal EU borders. BusinessEurope urges the EU leaders to focus on these 3 priorities because they are crucial to make good use of European funds and deliver a solid recovery.

We urgently need a well-articulated European economic agenda. We count on member states to swiftly ratify the Own-Resources Decision and to work hand-in-hand with the Commission to

- ensure that **EU recovery funds** bring real additional investment in competitiveness, productivity, as well as further reforms that can bring growth and support employment, long-after the funds have been spent,
- create a **scoreboard benchmarking the use of EU recovery funds** by member states against these objectives;



- take a business-friendly approach to the **green transition**, underpinning the Green Deal and its new targets with a credible industrial strategy to turn it into a real growth driver, ensuring that the sustainable finance agenda allows to finance transition technologies, infrastructures and activities rather than focussing on “greening the green”, and taking into account industrial competitiveness when preparing the Fit-for-55 Package;
- accelerate the **digital transition**, creating the conditions for a trusted roll-out of new technologies such as Artificial Intelligence based on a risk-based approach, giving broad industry access to 5G across Europe and also starting research and development in 6G, securing a fair and open European data ecosystem including access to cloud, edge and data storage solutions based on existing initiatives such as GAIA-X and similar projects, finding balanced solutions to support the removal of illegal goods and content online and address possible abuses of gate-keeper to the digital economy;
- acknowledge the significant progress that the OECD is making in reforming the international corporate tax system to **address the tax challenges of the digitalised economy** as this is a global issue requiring a global solution rather than rushing with an EU digital levy which will not be able to bring a global solution to this global challenge;
- take a more employment friendly approach to **social policy**, encouraging skills-related investments in national recovery and resilience plans, better supporting national labour market and social security reforms and ensuring that the European pillar of social rights promotes economic growth and facilitates job creation rather than imposing additional costs and obligations that will undermine the recovery;
- pursue an ambitious **trade policy**, resetting the partnership with the US, rebalancing the relationship with China, ensuring ratification of concluded agreements such as Mercosur and the Comprehensive Agreement on Investment with China, facilitating implementation of the agreement with the UK, and establishing synergies with other EU polices to enhance Europe’s open strategic autonomy while remaining the champion of rules-based trade.

We urgently need effective better regulation policies. Enterprises are the cornerstone for a viable Europe. Good regulation is a cost-efficient way of supporting the recovery. We are deeply concerned by the repeated postponements of the communication on better regulation and count on the European Council to work hand-in-hand with the Commission to:

- better take into account business suggestions on EU policies, including alternative ways to reach the policy goals pursued to avoid over-regulation,
- spell out how the “one in-one out” principle announced at the start of the Commission mandate will be applied in practice,
- improve impact assessments,




- ensure correct and transparent implementation of EU law at national level, avoiding over-regulation and fragmentation in the Single Market.

We urgently need to accelerate the roll out of vaccines and alleviate restrictions at the internal borders of the European Union. This is key to improve the sanitary situation and preserve the functioning of our Single Market. We urge member states to work hand-in-hand with the Commission to:

- avoid unjustified and disproportionate unilateral restrictions to free movement, keep the borders open and put in place efficient green lanes where border checks cannot be avoided;
- facilitate vaccine production and roll out, avoiding counter-productive export bans and uncoordinated national initiatives with adverse effects on international vaccine supply chains;
- deliver an EU-wide vaccine, test and immunity certificate before the summer, based on the Commission proposal for an inter-operable digital green certificate and avoiding a repetition of the mistakes made with national corona applications which do not operate across the European Union,
- acknowledge that effective intellectual property protection is indispensable for innovation as well as for the safe deployment of vaccines and is in the interest of society as a whole.

Shortly before the start of the COVID crisis, BusinessEurope proposed an agenda for the EU in 2019-2024. It rested on 3 pillars - prosperity, people and the planet. We remain fully committed to its goals but the measures taken must factor in the dramatic effects of the crisis because having a strong economy is a prerequisite to build a fair and sustainable Europe. We count on you to find lean and cost-effective ways of delivering the recovery as well as the green and digital transition. You can count on us to work constructively with you in this difficult task.

Yours sincerely,



Pierre Gattaz
President



Markus J. Beyrer
Director General