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**Jüri Ratas**

Prime Minister of the Republic of Estonia

Riigikantselei, Rahukohtu 2,

10310 Tallinn

 19 June 2017

**2nd DRAFT**

Dear Prime Minister Ratas,

**BusinessEurope’s priorities for the Estonian Presidency**

**of the European Union**

The Estonian Presidency has the challenging task of pushing ahead discussions on key aspects for the future of the European Union, and ensuring that Member States remain united in areas of key importance.

Avoiding a disorderly Brexit is essential. Furthermore, the second half of 2017 must be a period of action. Following national elections in several Member States and with all the five European Commission reflection papers on the “Future of Europe” presented, there is a new momentum to push Europe ahead.

First of all, **the EU must remain an open market**, rejecting protectionist tendencies, and able to attract talents and investment globally. The EU must not refrain from global competition but it must strengthen member states’ and companies’ ability to face this global competition, defend and prioritises the interests of its citizens and companies. This includes shaping globalisation according to our highly developed values and negotiating modern trade agreements leading to strengthened international cooperation and a liberal rule-based global trading system. These basic principles must be upheld in all legislative measures and all decisions taken at EU and national level.

Secondly, **the European project must move forward**. Completing the Economic and Monetary Union (EMU) and strengthening trust in the Euro is both a priority and a matter of urgency for business. Business investment requires a safe and predictable environment based on a well-functioning EMU. BusinessEurope welcomes the clear pathway the Commission has set out to reinforce EMU through putting in place a full banking and capital market unions, reinforcing the role of the EU in helping drive economic co-ordination and convergence, and strengthening the democratic processes supporting the monetary union. Progress with EMU, must made be in a way that protects the interests of all Member States, with door remaining open for the participation of non-Euro area countries. The Estonian Presidency has an important role in advancing the discussions in these areas in order to establish consensus on the way forward to deepen the EMU and help build the foundations for stronger and more secure growth across the EU.

Thirdly, **we urgently need to develop and digitalise our Single Market**. The single market is one of Europe’s greatest assets, but is still not living up to its full potential. We note with great concern rising risks of fragmentation of the Single Market due to the re-introduction of various obstacles in Member States and insufficient enforcement of EU rules. Focus must be on removing remaining obstacles and making sure that existing rules work in practice. This is fundamental to make Europe more competitive globally. Many of the proposals to be discussed during the Estonian Presidency can definitely contribute to achieving these aims.

Fragmentation of rules is also a great concern for **the Digital Single Market** which knows no bounds as it is by nature borderless. A renewed emphasis is needed to urgently complete the Digital Single Market to benefit the EU’s growth, jobs and global competitiveness. This means legislating where real market failures exist, for example, to enable the free movement of data in the EU. Yet not every technological advance requires legislation. In some instances, it could stifle innovation and investment. With regard to data ownership, access and liability, existing legal frameworks and private contracts already answer these emerging data economy questions. A flexible and robust approach is required in these highly intricate situations.

**In this context, a definitive push for a European industrial strategy is urgently needed**. European industry faces great challenges and increased competition. The European business community truly believes on the need of such strategy to create the conditions for any sector to be competitive. This includes addressing the high costs of doing business in Europe as well as improving the regulatory framework, incentivise innovation and promoting skills development. Only by factoring-in all these variables in an integrated strategy will we be able to capture the opportunities from macro trends, attract investment and talents to Europe, and secure a competitive industry in the long-run. We believe it is important Heads of State and Government reaffirm Member States’ call for the European Commission to bring forward a dedicated and integrated European industrial strategy and the Estonian Presidency should press this agenda ahead. Such political signal from EU leaders is needed to give confidence to industry that the issue deserves the necessary commitment and attention. (adapt in view of 22-23 European Council)

In annex, you can find further details about our priorities for the Estonian Presidency. I look forward to working constructively with you and the different members of your government during the next six months in order to build a strong European Union answering companies’ and citizens’ concerns about the future.

Yours sincerely,

Emma Marcegaglia

**Annex: BusinessEurope priorities for the Estonian Presidency**

1. **Avoid a disorderly Brexit**

Companies need certainty as soon as possible.

We therefore urge negotiators on both sides to reach the withdrawal agreement without delay so as to be able to focus as early as feasible on transitional arrangements where appropriate and finally on the future relation. The status of EU-27 citizens in the UK and UK citizens in the EU-27 should be clarified firstly.

The new model that will govern EU-UK relations after Brexit should be in line with the following principles:

* It preserves the integrity of the Single Market based on its four freedoms;
* It maintains as close economic relations as possible between the EU and the UK;
* It organises a smooth transition towards a future trade agreement, to allow business to prepare and adjust to the new situation as soon as possible;
* It mitigates the adverse effects of Brexit for companies and citizens;
* It provides legal certainty as soon as possible by delivering achievable solutions in a reasonable and predictable period of time.
* Discussions should involve all relevant stakeholders in order to properly tackle all issues including customs duties and procedures, market access and regulatory convergence.
1. **Assess the impact of the Trade for All Strategy**

It is important that the EU conducts an in-depth assessment of the impact of the Trade for All Strategy on the occasion of its mid-term review. Such evaluation should take into account recent developments in trade policy, including the ruling of the European Court of Justice on the EU-Singapore free trade agreement, and the impact this may have on the negotiations of bilateral deals. The EU Trade Strategy should address rising protectionist trends and ensure that the EU bilateral agreements agenda is pursued in an ambitious manner. This includes a smooth implementation of theagreement with Canada (CETA) and the conclusion of a comprehensive agreement with Japan, with Mercosur, and of a modernised agreement with Mexico. We also look forward to seeing the agreements with Vietnam and Singapore soon transmitted to the Council and the European Parliament. Finally, it is urgent for the EU to restate the importance of the Transatlantic relationship and to promote ways to deliver growth and jobs on both sides of the Atlantic. In light of a changing political environment on both sides of the pond, it is more important than ever to continue to strengthen our economic ties with the United States.

1. **Ensure a level playing field and a fair-trade policy**

We count on the Estonian Presidency to promote a constructive trilogue so that the EU equips itself with a modernised set of trade defence instruments and a new regulation on protection against dumped imports from non-EU countries. It is important that the EU coordinates with other major WTO members in order to avoid trade diversion as a consequence of differing views. We also call for the modernisation of the EU regime on export controls on dual-use items, in order to be able to respond effectively to the challenges the dual use sector is currently facing – for instance, increased competition at global level or responding to cyber-security concerns. However, we need to ensure that the new rules strike the right balance between trade and security policy objectives. Finally, we urge the Estonian Presidency to accelerate its efforts on the multilateral front. The 11th Ministerial Conference of the WTO, taking place in December 2017 in Buenos Aires, is an opportunity not only to reaffirm the central role of the WTO in the global trading scene, but also the leadership of the EU in this regard. Promoting an ambitious agenda for liberalisation and developing new trade rules in areas such as digital trade and e-commerce, services or investment facilitation, is essential to achieve a global level playing field and counteract protectionism.

1. **Progress in completing the EMU**

Completing EMU and strengthening trust in the Euro is both a priority and a matter of urgency for business. Business investment requires a safe and predictable environment based on a well-functioning EMU. BusinessEurope welcomes the clear pathway the Commission has set out to reinforce EMU through putting in place a full banking union and capital markets union by the end of the legislature, reinforcing the role of the EU in helping drive economic co-ordination and convergence, and strengthening the democratic processes supporting the monetary union. The Estonian Presidency has an important role in advancing the discussions in these areas in order to establish consensus on the way forward to deepen the EMU and help build the foundations for stronger and more secure growth across the EU. More specifically:

* **Economic Union:** Put competitiveness at the core with a reinforced European Semester ensuring Member States, supported by national parliaments and social partners, implement structural reforms in order to increase growth, jobs and convergence. This includes strengthened implementation of the Macroeconomic Imbalance Procedure in both deficit and surplus countries.
* **Financial Union:** Put in place a full banking union to address the continued fragmentation of EU savings and credit markets. Further decisions need to be taken to complete the single resolution mechanism and, following asset quality reviews for all relevant banks as well as a further reduction of risk in the banks’ balance sheets, a European deposit insurance scheme. Credibility of a new system may already build-up in the initial stages as markets recognise the stabilising function of the deposit insurance. In many member states, prior national reforms establishing harmonised deposit insurance systems, together with the full implementation of the bank recovery and resolution directive, are a necessary step before a common system can be taken forward. The regulatory treatment of bank holdings of government securities should be addressed in the appropriate framework of the G20.
* **Capital Markets Union:** Implement a comprehensive Capital Markets Union in order to strengthen cross-border capital flows, reinforce the resilience of the Euro Area to asymmetric shocks, and help companies access diversified funding sources.
* **Fiscal Union:** Improve the efficiency of the fiscal rules and encourage governments to pay more attention to the quality and composition of their public finances, helping ensure fiscal consolidation takes place without tax increases
* **Strengthen the long-term stability of EMU** and its ability to handle asymmetric shocks to one or more of its economies through access to a Euro Area fiscal capacity or stabilisation fund, fully conditional on Members States implementing structural reforms and ensuring that it does not lead to an increase in the overall tax burden in the Euro area.

We must also encourage Member States to continue to implement structural reforms, focusing on government spending on growth-enhancing investment, and making further efforts to facilitate job creation and increase the supply of skilled labour which is crucial to attract investment, continuing fiscal consolidation where necessary, while drawing on the flexibility within the Stability and Growth Pact.

1. **Protect and advance the Single Market**:

In a moment of protectionist tendencies, it is important to protect and advance the Single Market and tackle the risk of fragmentation, the greatest EU instrument to create growth, jobs and business opportunities, and the tool which can bring the most evident benefits to citizens and companies. During the Estonian Presidency, we believe we must progress on the following issues:

* **Geo-blocking proposal:** the outcome of trilogue negotiations with the European Parliament must ensure certainty to traders on the applicable law to contracts with consumers. The final compromise should clearly state that, when fulfilling the regulation’s de facto obligation to sell, the trader can indeed solely rely on his own home country rules (for instance in terms of contract law, labelling, product safety rules, VAT, etc.).
* **Consumer protection cooperation regulation revision:** whilst supportive of an enhanced EU consumer enforcement system, we call for the future trilogue agreement to include the necessary “checks and balances” concerning the length, nature and use of the authorities’ powers foreseen in the Commission proposal.
* **Digital content proposal:** in order to preserve the added value of the proposal, it is essential that, in future trilogue negotiations, the Council remains within the key lines of its general approach: uphold full harmonisation; remain coherent with European data protection rules; and sticking to a balanced level of consumer protection.
* **Insolvency proposal:**it is important that the Council continues to work towards an agreement on this important proposal for companies, in particular small and medium ones. Europe needs to step up in developing a business legal environment which rewards entrepreneurship and business success. In Europe, the first signs of difficulties should not continue to be a synonym of ending a business venture.
* **Goods package**: This is expected in July 2017 with legislative proposals in the area of both mutual recognition and market surveillance. While the free movement of goods is at the heart of the Single Market, unfortunately there are still unjustified barriers that companies face in practice when operating across borders within the EU. We would therefore urge the Presidency to make progress on the proposals once they have been presented by the Commission.
* **Start-up and scale up**: The Commission Start-up and Scale-up Initiative confirmed BusinessEurope’s analysis that insufficient attention is paid at EU and national level to the scaling-up of SMEs. BusinessEurope counts on the Estonian Presidency to promote the removal of obstacles hampering startups and SMEs growth and to simplify SME access to ESIF funding.
1. **Contribute to the creation of a true Digital Single Market**:

The EU must timely complete the Digital Single Market, ensuring free movement of data to take full advantage of the digital transformation and compete effectively worldwide. Europe needs to adopt an innovation-friendly approach to data to empower the digitalisation process and offer robust solutions for data use. Policy makers should carefully assess if and where action is needed. The European legislative framework for data must allow companies to compete globally, foster the creation of new business models and ensure a level playing field, with legal certainty and stability.

* Emerging issues around **data ownership, sharing and access** are adequately addressed by existing legislation. Current rules and practices allow adapting to the needs of the parties and provide the appropriate setting to share data based on contractual terms, allowing innovation. The current framework is also fit to address **liability** issues in the field of IoT and no new liability rules for data-related services and products are needed. Adapted or dedicated liability rules could be however required, in specific situations for completely autonomous systems.
* EU legislative action to remove restrictions to the **free flow of data** is needed. The ability to transfer data across borders is crucial for companies, both within the Single Market and beyond. Any forced data localisation requirements should be subject to EU scrutiny and should only be kept if proportionate and in line with EU legislation and single market principles. We welcome the focus of the recent DSM mid-term review against forced data localisation and we trust the Estonian Presidency will support effective regulation to enact the principle of the free flow of data.
* While the benefits offered by the digital economy cannot be realised without reaching our exponential high-speed connectivity needs, investment in Europe’s digital infrastructure lags behind other global digital leaders. To meet our connectivity targets by 2025 around €660 bn in investment is required. That is why we welcome the **proposal for a European Electronic Communications Code (EECC)** which will recast four existing Directives in the area of telecommunications and incentivise investment for the roll out of very high capacity networks. This can be achieved through the EECC proposal through making it more flexible to ensure it reflects the actual development of technologies and competition in the telecommunications market. Overlap with horizontal and national Regulation should be avoided. A reduction and simplification in existing Regulation should enable this in this regard. Businesses and citizens are also beginning to rely on online service providers (OSPs) to communicate. Therefore, it is understandable that the legal framework for electronic communications is updated to enhance trust and confidentiality while maintaining a level playing field between stakeholders offering the same service.
* The **ePrivacy proposal** should complement not contradict, the soon to be fully applied, General Data Protection Regulation (GDPR) through balancing protection of end-users’ data and facilitating innovative business models. This could be best achieved by enabling the full range of permitted processing capabilities of Article 6 in the GDPR to also be applied here. More clarity is needed within the ePrivacy proposal to determine its relationship with the GDPR and which stakeholders it involves. Therefore, quality should prevail over speed, in order to get the best result for Europe in this important economic and social area. Co-legislators must be given sufficient time to consider and improve its impact to actually achieve its objectives. In this regard, machine to machine (M2M) communication processes with no clear or recognisable end user should be removed from its scope.
1. **Promote an EU industrial strategy**

A strong industrial base is fundamental for strong economic activity across all sectors of the economy including services. European industry faces enormous challenges and increased competition from other areas in the world.

The European business community has very high expectations on the EU moving forward with a dedicated industrial strategy. It is needed to create the conditions for any sector to be competitive, which includes addressing the high costs of doing business in Europe as well as improving the regulatory framework, incentivise innovation and promoting skills development. Only by factoring-in all these variables in an integrated strategy will we be able to capture the opportunities from macro trends, attract investment and talents to Europe, and secure a competitive industry in the long-run.

The Competitiveness Council in May has unanimously adopted conclusions calling on the European Commission to provide such a holistic EU industrial policy strategy. We believe it is important Heads of State and Government reaffirm Member States’ call for the European Commission to bring forward the strategy and the Estonian Presidency should press this agenda ahead. Such political signal from EU leaders is needed to give confidence to industry that the issue deserves the necessary commitment and attention. (update in view of the European Council on the 22-23 June)

1. **Set the right conditions for digitalisation and the future of work**

Digital developments like Artificial Intelligence (AI) technologies and robotics can have many applications in the real world and considerably contribute to society. But there are also concerns that they will pose a threat to employment, as these applications can apply to an increasing number of tasks that are part of people’s jobs.

Europe needs to seize the opportunities of digitalisation, but for that to happen, we need the right conditions for innovation, accompanying change and avoiding focusing primarily on possible risks. In fact, technology is so far creating more and better jobs than it is destroying. It is also improving the quality of many existing jobs.

The internet economy presents untapped opportunities for businesses and the workforce. On its own, it has created more than 1.6 million European jobs, most of which are not and will not be for people with technological skills, but will be indirect jobs (e.g. in marketing, sales, HR) and partly unrelated to tech sector. In addition, on current projections 750,000 ICT jobs could remain unfilled in next 3 years due to a lack of digital skills in the workforce.

The nature of work is changing, careers are less linear and jobs requirements are evolving. Digitalisation and the greening of our economies are two important vectors of change that need to be taken into account as part of occupations and qualifications frameworks nationally. It is also increasingly essential from a business perspective that the adaptation of education and training curricula is conducted more quickly than in the past, reflecting rapidly changing business needs. Furthermore, the acquisition of STEM skills - science, technology, engineering, mathematics - is an important challenge, in particular for industrial sectors.

Improving skills development requires an effective partnership between governments and social partners, in line with the diversity of education and industrial relations practices. We call on the Estonian Presidency to contribute to mutual learning at European level on how to change occupations, qualifications and education and training curricula in an effective manner to meet changing labour market needs.

1. **Get the country by country reporting right**

BusinessEurope supports the European Commission’s objective to fight tax fraud and evasion. We support the OECD recommendations regarding the reporting of financial information to tax authorities by companies on a country-by-country basis and the sharing of that information between tax authorities. The Commission’s proposal for the EU to unilaterally require public country-by country reporting would not help to address tax evasion as it would undermine the role of the tax authorities who have the expertise, and, supported by the OECD agreement, the information to properly enforce tax rules. By requiring public disclosure of country by-country reporting (CBCR) information, the EU may jeopardise the willingness of other countries who have signed up to the OECD proposal to share taxpayers’ country-by-country reporting information. Public CBCR could put companies with an EU presence at a competitive disadvantage and damage the attractiveness of the EU as an investment destination. We could hope the Estonian presidency will not be remembered for putting in place measures that damage competitiveness.

1. **A sharp focus on better regulation**

The EU must improve its competitiveness to hold its own against both developed and emerging economic blocs around the world. Taking a smart approach to regulation will enhance growth and investment. The EU should avoid legislative proposals with a disproportionate impact on competitiveness that add no real value to the single market and growth. This requires a sharp focus on better regulation. Boosting competitiveness and developing the single market through the use of better regulation tools to cut red tape and devise proportionate legislation should be a mind-set of decision-makers and remain a priority.

We hope that the Estonian Presidency can actively promote the following principles:

✓ensure that policy decisions are always made on the basis of evidence-based sound information;

✓set a net target to reduce the total regulatory cost and always seek to off-set new legislation by removing constraints in existing legislation or repelling EU directives and regulations that are no longer necessary;

✓consider the cumulative effect of EU legislation when assessing the impact of possible new legislative proposals on competitiveness;

✓carry out impact assessment throughout the EU legislative process

To improve transparency, EU institutions, starting with the European Commission, should:

✓publish final draft texts and draft impact assessments before the proposed initiative is adopted and be more open about trilateral negotiations between the European Commission, Parliament and Council;

✓ensure that all relevant stakeholder affected by possible EU actions have the opportunity to give their views about initiatives throughout the legislative process, weighing the representativeness of these stakeholders when considering the input received and responding to the suggestions.

1. **Make services a key focus area**

Services is the least developed of the four freedoms in the single market. While services account for over 70% of EU GDP and employment, cross-border services only make up 5% of EU GDP compared to about 20% for goods. Further integrating national services markets will create growth, jobs and new business opportunities. To unleash the great potential for growth, we need to ensure better implementation and stronger enforcement of existing rules, such as the 2006 Services Directive and make tools such as the proposed Single Digital Gateway really work. The Estonian EU Presidency must also make steady progress on the proposals that the Commission presented in its January “Services Package”.

Looking at the package, BusinessEurope strongly supports the proposal to improve the current notification procedure for services. Member States must always notify new national requirements they impose on service providers *before* the legislation takes effect. This to avoid new trade barriers and lengthy infringement procedures when national measures are put in place but are in breach of EU law. We also support the proposed proportionality test and guidance to reduce the large number of regulated professions that fragment labour markets. We support the idea behind the European services e-card and believe it can be a pragmatic tool to support companies to provide their services across borders. However, the proposals need to be made clearer, for instance on updating obligations, responsibilities and information to be included in the e-card. The Estonian EU Presidency must play a leading role in improving these proposals to ensure that they offer real added value for companies, otherwise this novel approach will not work.

1. **Boost mobility and connectivity**

The Estonian EU Presidency must make progress on the Commission’s “Mobility Package” that was presented in May, which contains important proposals on road charging, access to the road haulage market, enforcement and ways to trigger investment in smart infrastructure. Remaining barriers to road transport in the single market have a direct and lasting negative impact on the European economy and hamper mobility. We support concrete actions to tackle market fragmentation. Targeted revisions of existing legislation, for example on access to the road haulage market, should make it simpler and easier to enforce the rules. We also stress the importance of ensuring sufficient investment in core transport infrastructure via existing tools such as the European Fund for Strategic Investments (EFSI), the Connecting Europe Facility (CEF) and structural funds. Existing finance must be used strategically to trigger private investment to make transport smarter, for instance through the deployment of ICT and digital tools, and more sustainable.

Regarding aviation, we would like to see the Estonian EU Presidency make progress on the proposal to revise Regulation 868 on unfair pricing practices to contribute to fairer competition and help to create an international level playing field. A strong aviation sector is essential for Europe’s competitiveness and attractiveness, also in terms of investment. In this context, we continue to urge all Member States to find a solution and swiftly agree on the Single European Sky 2+ Package, which is still being discussed at Council level. More effective use and management of the European airspace is crucial to increase connectivity and reduce costs and emissions.

1. **Make Europe fit for energy transition and an efficient energy market place**

Energy systems undergo unprecedented transition and the EU’s energy and climate policies should be adapted to strike a balance in terms of different objectives. These include security of electricity supply and Europe’s low-carbon agenda, while making sure that power remains affordable to consumers. With the Commission proposal on the “clean energy package” going in the right direction, the Council and the European Parliament will have a crucial role in adapting the policies that live up these expectations of the power companies on one side and energy consumers on the other.

Foremost, the Estonian Presidency should improve the coherency of the current package and make it an enabling framework to incentivize investment in the power sector. More decentralized and distributed energy system will require complex solutions with active role of consumers and more flexibility. Also, with higher demand for low carbon technologies, the integration of the renewable energy in the energy system is one of main tasks.

BusinessEurope positively commented on the proposal in terms of more European approach, based on integration and cooperation on all levels. This shall contribute to more efficient energy system and lower costs for consumers. Despite the need for improvements, the proposals on regional cooperation, adequacy assessments and capacity mechanisms go in this direction.

The EU must also continue to make its economy more energy efficient and European business has always stood at the forefront of these efforts. It is not a question about being in favour or against energy efficiency. It is about putting in place a coherent framework without overlaps of EU legal instruments. BusinessEurope perceives the increase of the energy efficiency ambition level to 30%, with binding nature, as a wrong signal for investors and society, undermining the current structure of energy and climate policy.

The Estonian Presidency should therefore ensure the EU maintains the ambition on the level of 27%, with a non-binding target. This would be consistent with the previous political agreement among heads of states in October 2014. Such an approach would secure long term competitiveness of the industry and a stable investment framework. Meanwhile it is necessary to make the Energy Performance of Buildings Directive proposal more ambitious to deliver the efficiency gains in more cost-effective way.

1. **Strengthen European research & innovation**

Framework programmes for innovation have a clear European added value and help leverage private investments. The industry strongly supports the whole architecture and objectives, benefiting the European society. The upcoming discussion and work on the new framework programme (FP9) should build on the achievements of Horizon 2020, maintaining the three-pillar structure and support to all-sized enterprises.

In view of the upcoming debate on the next EU framework programme for research & innovation, BusinessEurope stresses the important role of this financing instrument and the achievements of Horizon 2020 in particular. The next programme shall build on these positive outcomes and take the following views into consideration:

* **Strong support for Horizon 2020:** It brings major achievements such as support over the whole ecosystem of research and innovation and a more targeted progress (e.g. the two-stage evaluation procedure). Despite the need for further improvements, in particular tackling the oversubscription, the robust structure covering the whole ecosystem of research & innovation and stronger focus on close-to-market activities are among key features.
* **Upscale budget:** Despite all kinds of financial constraints, the EU should not step back on the financing but rather accelerate R&I investment by both public and private sector.
* **Strengthen industry participation:** Industry is key to bring great ideas and results of excellent basic research into market and benefit the society. Maintaining support to innovation and close-to-market activities is therefore key. The pillars of ‘societal challenges’ and the ‘industrial leadership’ foster cooperation between public and private actors and leverage the necessary funds for large-scale European projects.
* **Keep large enterprises in:** The EU institutions should not limit the participation in the framework programmes and exclude large companies. Such decision would have severe impact on the whole ecosystem, from SMEs to academia and research organizations. To avoid an ‘innovation leakage’ (research & innovation investments outside of Europe), we must pursue financial support to and secure active participation of large companies in the research & innovation ecosystem.

BusinessEurope is highly committed to the future competitiveness and jobs, therefore calls on the Estonian Presidency to engage in this discussion and support the framework programmes as one of the key growth-enhancing instruments.

1. **Ensure an ETS reform which works for all sectors and ensure commitments under the Paris Agreement are met**

Trilogue discussions must ensure a well-reformed system which combines the need for a meaningful carbon price with the need to strengthen the global competitiveness of Europe’s industries to prevent investments from flowing out of Europe. Moreover, despite the US decision to withdraw from the Paris Agreement, all Parties should reaffirm and stick to their commitments. The EU business community would greatly value a dialogue with policy-makers to assess the implications of the US decision.

1. **Safeguard Schengen, manage refugee and migration flows, and integration in labour markets**

The objective must be to manage the refugee flows, protect our external borders, reduce illegal migration and safeguard the integrity of the Schengen area. A fragmentation of Schengen would have significant negative economic consequences and would reduce confidence in the EU. It is therefore vital to take all necessary measures to safeguard Schengen.

An initiative of the Commission DG Home, involving the European economic and social partners, has progressively taken shape in the last months. Companies are contributing to efforts to integrate refugees on the labour market and are determined to continue to do so. We count on the support of the Estonian Presidency to better reflect in this initiative the key role of public authorities in light of the practice in the Member States.

National public authorities play a key role in the integration of refugees in society. This is an important precondition for getting refugees quickly and effectively into work. The evidence gathered so far demonstrates that labour market integration is likely to take time given the skills levels and work ability of incoming refugees. This is therefore a key challenge for all Member States and it is for each of them to undertake, in line with the diversity of industrial relations systems, and if they have not done so already, appropriate and realistic measures targeted at facilitating refugees' access to the labour market so that they can earn their living and integrate in society as rapidly as possible.

1. **Agree on an efficient waste management system**

Waste must be looked at as a valuable resource to recover for the economy and the environment. Trilogue discussions must ensure an harmonisation of the definitions and of the methodology applied to measure current performances of Member States as well as a progressive achievement of the EU targets.

1. **Find a good solution for the posting of workers**

The discussion in the Council on the revision of the posting of workers directive (Directive 96/71/EC) will continue under the Estonian presidency. BusinessEurope finds it important that the presidency aims for a solution which would receive a broad support in the Council. It is crucial not to split Europe on such an important issue especially in a context when the economic recovery in Europe is still uncertain and in a time when we need to reinforce the European project. We urge the Presidency to only consider solutions that will not create legal uncertainty and excessive burdens for companies. In particular, with regard to the duration of postings, any solution should ensure that the parties remain free to choose the applicable law in accordance with Rome I regulation even in case of posting longer than 24 months.

1. **Defend a simple and effective transparency register**

The recent proposal for an inter-institutional agreement for a mandatory transparency register is concerning.  We have supported the register from the outset and support its political objectives, promoting it among our member federations and companies. But we need simple and effective rules to facilitate such dialogue in a spirit of mutual trust. We have engaged with constructive proposals, such as on the 30% rule, and have expressed our concerns on double/triple counting or the new 10% rule for budget contributions. These were simply ignored without any convincing explanations. We count on the Estonian Presidency to engage on a constructive dialogue on the way forward to bring the EU closer to companies and citizens.