



European Round Table for Industry

11 February 2020

RE: Joint Letter on the EU budget

Dear Prime Minister / Chancellor / President,

Two decades into the 21st century, the political and economic challenges we face are intensifying, as we are entering a time of less openness, less free trade and growing protectionism.

Within Europe, political agitation has been making its mark as well. Increasing nationalism, often fuelled by the lack of success of the European economies, has eroded people's trust in the merits of international cooperation. In some quarters, there is a creeping sense that a return to more narrowly "sovereign" states, focussed exclusively on their own interests, is somehow a better way. This is alarming, economically inaccurate and politically dangerous.

For our part, business and science leaders remain convinced that multilateralism and a strong EU continue to be the best way for European countries to shape their destiny in a globalised world. In a world where our most prominent trading partners and investors have the advantage of scale, only through the EU do we have the potential to accelerate growth and address the challenges our societies are facing.

At the European Council meeting on 20 February, European leaders are deciding on a Multi-Annual Financial Framework (MFF), which should equip our Union with the resources that are required to implement its ambitious political and economic agenda for the period 2021-2027 and to deliver on the expectations of its 450 million citizens. Otherwise, there is a very real risk that our continent will fall further behind its global economic and technological competitors.

The EU therefore needs an **ambitious, modern and future-oriented MFF** that puts greater emphasis on strengthening research and innovation, as well as accelerating the digital transformation:

- That is why we stand behind our [Joint Letter](#), signed in 2018 by 40 CEOs and 20 Nobel laureates, and our view that the EU needs to invest at least €120 billion in *Horizon Europe*, the next framework programme for Research and Innovation. We wish to point once again at the economic impact and the tangible improvements to European citizens' lives that have been generated over the years by the EU framework programmes for Research and Innovation. *Horizon Europe* is essential to ensure delivery on the new European Commission's policy priorities of greening and digitising the economy, with its focus on innovation actions, mission-oriented research and support to the blue-sky research that often lay the foundation for solutions to pressing global challenges. Importantly, businesses are ready to make additional investments in those areas to which public funding is directed.

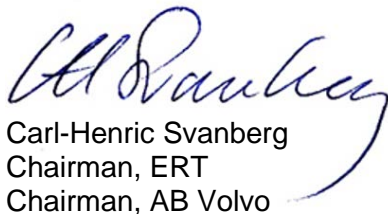
- The EU needs to invest at least €9.2 billion in the *Digital Europe programme* for our continent to keep up with the digital advances and ambitions of the US, China and others. Only by enabling the deployment of new technologies can we ensure that Europe safeguards the talent and skills it needs in the coming decades to continue providing quality jobs and economic welfare across the continent.

In the long-term, the EU needs a more adequate financial framework to address the common challenges whilst securing its future prosperity and competitiveness. The complexity of the negotiations demonstrate that the EU needs structural reforms. In the interest of the citizens in all EU Member States, a higher overall budget is also required if it is to truly strengthen Europe's place in the world.


As this year marks the start of a two year Conference on the Future of Europe, there will be every opportunity to consider and address the reforms required to make the EU more performant for all its citizens – and we will actively encourage our communities to participate in that process.

However, for the urgent challenges we face now, the clock is ticking. Audacious cross-sectoral plans such as the Green Deal will need to gather early momentum if they are to make a meaningful impact. We count on the European Council to find a swift and balanced compromise on the next MFF in the interest of the well-functioning of the EU, and we are ready to offer our support to help develop the post-2020 budget optimally for the benefit of society.

Yours sincerely,



Carl-Henric Svanberg
Chairman, ERT
Chairman, AB Volvo



Ben Feringa
Nobel prize in Chemistry
Beneficiary from EU/ERC funding