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**BusinessEurope's message to informal meeting of Heads of State and Government
in Versailles on 10-11 March 2022****European business community fully stands behind EU leaders' actions
to defend security and freedom**

BusinessEurope and all its members stand fully behind the sanctions decided by EU authorities. We strongly condemn the Russian invasion of Ukraine, which is a clear violation of international law, and the most serious security crisis since World War II. We deplore the role played by Belarus. Human lives, peace and freedom are at stake. The European Union must defend international law and support Ukraine and its people. Like many other players, our companies are taking concrete actions to provide humanitarian help and assist people fleeing combat zones. Companies are concerned, appalled and willing to do what it takes to assist. European businesses are fully committed to promote peace and democracy in this critical moment of our history.

Unity is essential. The excellent coordination within the European Union as well as with the US and other partners must continue during the next phases of this crisis: when implementing sanctions, adopting support measures to enterprises and workers, finding solutions to deal with supply disruptions, helping EU citizens and companies present in Ukraine, Russia, and Belarus etc.

The last days have demonstrated that the **EU's global strength comes from its economic power based on European values.** It is of utmost importance that the EU takes good care of its economy. Successive shocks show the importance of building a more resilient European economy and cushion the secondary effects of this crisis (inflation, energy and raw material price increases and supply shortages, supply-chain disruptions). We need to reduce dependencies and exposure to unreliable suppliers but we also need to build coalitions with like-minded partners and diversify our sources of supply. Ensuring our companies competitiveness abroad and building new market opportunities will be essential to boost our economic recovery. The ratification of negotiated bilateral free trade agreements- such as with Mercosur, Mexico, and Chile must be accelerated and trade relations with our key international partners such as the US and the UK, deepened.

The European Union urgently needs to **strengthen the internal EU energy market and diversify its energy supply sources and routes** to increase its resilience, including by stepping up EU coordination on how to tackle dramatic energy price increases and moving ahead with missing energy interconnections between EU countries. The Green Deal, with the accelerated deployment of low-carbon energy sources, renewable energy projects, hydrogen and alternative fuels besides continued energy efficiency are important parts of the answer. At the same time, our economy needs to stay efficient and this requires realistic energy policies with feasible timelines, avoiding abrupt disruptions of energy supply which would have very far reaching consequences for the European economy. Short-term energy needs must be fulfilled and measures to counter high-energy prices are necessary, not only for households but also for industries and businesses. The European Union must urgently develop and implement a



coordinated plan to further decrease its energy vulnerability, taking into account that alternative gas supply sources are not sufficiently available in the short-term in a number of member states, and better exploit its own energy resources in the medium and long-term and build new energy partnerships. EU and national authorities must simplify and speed up permitting procedures for industrial as well as for energy production and infrastructure projects. They often result in considerable delays, which slow down deployment of industrial projects and, limit the uptake of new technologies, even for renewable energy and low-carbon projects.

BusinessEurope welcomes the **acceleration of the development of the EU's defence pillar** alongside the necessary strong coordination with allies in the UN, NATO and in the region, while respecting different traditions and approaches in the area of security and defence. Like in all policy areas, the increased means made available will need to be used efficiently. This requires to significantly step-up coordination amongst member states, with positive spill over effects fairly leveraged across the EU and modern EU-wide defence procurement. Synergies between the public and private sector must be improved, including for research and innovation. The enterprises in the European defence and space industry supply chains play an essential role for the security and prosperity of European citizens. The difficulties they encounter in getting access to finance in the private financial markets must be addressed. Cybersecurity capacities must be stepped up, given the exponential increase in cyber-attacks.

Business is united in its determination to work with EU leaders for peace and prosperity.

All EU players must work hand-in-hand to cushion the negative consequences for Europe's economy, to increase the EU energy independence and strengthen its defence capabilities. The sanctions will have direct and indirect costs for companies and workers. Therefore support measures will need to be established. The EU must defend its values and continue to support Ukraine, which was brutally attacked and invaded simply because its citizens want to live in a democracy and aspire to anchor their freedom and security to that of the European Union. We understand that giving a perspective to Ukrainian people is important and acknowledge the announced examination of the candidacy of Ukraine to the EU, subject to fulfilling all necessary criteria.