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MODTAGET
LEDELSSESSEKRETARIATET

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Dear Chairman,

As this new year starts, I also wanted to write to you to take stock and to **present our course of action** now that we are in the third year of this Commission's mandate.

It has been two years since the College of Commissioners was officially appointed. For two years we have been working, under Mr Barroso's Presidency, to find solutions to the crises which we are faced with. For two years we have been working with you, the representatives of the people and governments of the European Union, and all the stakeholders so that the work we do for Europeans is as effective as possible.

I would like to thank you for the quality of the relationships which we have built over the last two years. This trust has allowed us to work together calmly and constructively, despite the urgency and complexity, on texts that have been presented to you.

The second year of the mandate, which has just ended, has only confirmed the diagnosis drawn up at the beginning of last year: Europe cannot content itself with taking defensive measures to the crises, however important these may be, it must also offer our co-citizens the opportunity for new growth.

In order to create such new growth we need a sound basis and a dynamic and efficient internal market. In both these areas, the Commission has honoured its commitments as shown in the two brochures attached to this letter: one is on financial regulations – 'Restoring the health and stability of the EU financial sector' and the other is on the Single Market Act 'The single European market, working together to create new growth'.

As regards the first area, we have first of all continued to learn from the crisis throughout last year by submitting the package of financial proposals requested by the G20 at the summits in London, Washington and Pittsburgh on the solidity of the banks with draft legislation, adopted by the Commission in July 2011; on the securities market and market abuse in October 2011 and on the audit of rating agencies in November 2011. An instrument for crisis management in banks will complete this list of undertakings.

The European supervisory authorities, which are the cornerstone of our financial reforms, took up office in 2011 and very quickly proved their added value, including with regard to stress tests and bank recapitalisation. They will be operating at full capacity in 2012 and producing an even greater number of draft technical standards to ensure the implementation of a 'single rulebook' in Europe.

We will continue to collaborate with the European Parliament and the Council in order to bring these dossiers to a successful conclusion using the momentum created in 2011, the year that saw the final adoption of the directive on alternative investment fund managers and the regulation on short selling and credit default swaps (CDS). We hope to see prompt final adoption of the dossiers on OTC derivatives and on bank deposit guarantees at the beginning of this year, thereby concluding the hard work carried out in 2011.

Work on other areas will be launched in 2012, in particular to strengthen consumer protection and confidence in financial services, because without confidence there can be no growth. We will present legislative proposals on transparency obligations for retail investment products, revised rules on insurance intermediaries, a reinforced framework for UCITS and occupational pension funds.

However, 2012 will also be the year we start significant work on regulating 'shadow banking' in accordance with the commitments made at the G20 summit in Cannes at the end of last year. My aim is for all the financial reforms to be in place by the end of my mandate.

A healthier financial basis has to be the starting point for sustainable growth and improved confidence in our great European Market. This is the purpose of the Single Market Act which we presented on 13 April 2011 and includes 12 levers to inject new life into our economy.

We have since then presented nearly all the resulting twelve priority actions to the European Parliament and the Council. I am referring in particular to a European patent, the much-awaited final adoption of which is close at hand; the modernisation of the procedures to recognise professional qualifications; the alternative dispute resolution system designed for better consumer protection; the initiative regarding the 'Social Business Act' and a European framework for social entrepreneurship funds; the legislation aimed at creating a European venture capital market; the simplification of accounting rules for SMEs and the new public procurement rules, which will mainly benefit European authorities, enterprises and citizens.

The measures of the Single Market Act are not ends in themselves; they are tools for a project, namely new growth and trust in the European Union. That is why we will have to continue to forge ahead towards the goal we have set. In 2012, we will present an assessment of the work that has been carried out and the new priority actions decided on with all the Commissioners concerned.

These actions do not only concern the Commission or 'Brussels'. They are intended for Europeans and must therefore be disseminated at all levels. That is why I wanted to tour the European capitals and meet those who make up the Single Market in each country. In particular, I would like to mention the working meetings I had with the seven hundred or so officials who implement European rules every day.


I will continue with this task this year but will this time be visiting European regions.

In order to explain our initiatives to all the players in the Single Market, we also inaugurated the Single Market Forum in Krakow on 3 and 4 October 2011. This event brought together more than a thousand people from all walks of life and facilitated the exchange of the actual daily realities of the Internal Market. We will build on this success and organise a Single Market Week in October 2012 with simultaneous events in each of the Member States.

I hope that we will continue to produce high quality work together this year and that the most urgent projects needed by our Union will be adopted as soon as possible as the Council undertook to do last November, in particular as regards the 12 key actions of the Single Market Act. You know that I am personally available so as to facilitate their adoption by the end of the year.

Together we can ensure that 2012, which will mark the 20th anniversary of the Single Market, will be a year of new momentum and new-found dynamism to boost growth.

Yours sincerely,



Michel BARNIER