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Ingrid Berggren
Secretary General
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Dear Ingrid, Dear BSCC friends and colleagues,

A lot has been written and said about last week's EU Summit. Our Prime Minister made a statement to the British Parliament on 12 December, just as Prime Minister Reinfeldt did the following day in Stockholm.

I wanted to take this opportunity to set out, particularly to a business readership, how Britain approached the issue and where it leaves us.

The UK, like Sweden, has a strong interest in the stabilisation of the Euro zone. We both agree, however, that the Euro zone countries have to take primary responsibility for resolving their problems, including by undertaking the difficult reforms and changes that Sweden has done and which the UK is taking forward.

We accept also that further integration by euro zone countries is necessary. But this needs to be done in a way that works for all EU member states, each of whom has legitimate national interests to protect. And we all have a shared interest in a transparent, inclusive European Union.

So while the British Government was ready to negotiate for a revised EU Treaty for all 27 countries on a basis all could accept, we had concerns about some proposals that appeared to imply a smaller group of countries might strengthen the Eurozone in a way which could damage the Single Market, which is, of course, a vital shared interest for **all** member states.

So our approach sought to ensure that this crucial level playing field for all Partners, large and small, inside and outside the Euro, would be preserved, including open competition in financial services in all EU countries, with arrangements that would allow every member state to regulate its financial sector properly.



Nordic Baltic Network
Local contact, regional impact

We weren't seeking special treatment for the UK: rather we wanted an outcome that ensured the right balance between national and EU level action and which worked for all 27 member states. Without such assurances we said we wouldn't be able to agree to changing the EU treaties. And, in the end, we weren't.

We remain a committed member of the European Union. And we will continue to work to ensure that a strong and constructive British voice is heard in all discussions involving the 27. This will be the case in foreign, defence and security policy, in work on energy, climate and enlargement.

In particular our focus needs to be working together to ensure the Single Market works better, particularly for businesses. It is only by keeping our economies open, expanding our trade and making EU laws more business friendly that we can get the economic growth in Europe that we all want to see. This is a huge and continuing shared agenda with Sweden.

As BSCC members know, Britain will remain a great place to invest, with all the advantages of the Single Market, and with important national features on top of that:

- one of the easiest places in the world to set up a business, according to the World Bank;
- 200% R & D tax credit for SMEs, going up to 225% next year;
- 21 new enterprise zones offering relief from business rates and taxes;
- Corporation tax falling to 23% by 2014, one of the lowest rates in the G7; and
- the great British heritage, culture and (most of the time) climate!

Like Sweden, we believe in a liberal, open, outward-facing Europe, which needs to be smart and competitive to thrive economically in the world we face today. For that, we need to do everything we can to guard against a rigid, two-speed Europe. Countries large or small, inside or outside the single currency area, are equal partners in the EU. Maintaining that balance and fairness will remain a priority for Britain.

With best wishes, from Nicola and me, to you and your families

Paul

Paul Johnston
HM Ambassador