



REGERINGSKANSLIET

6 October 2005

Minister for Industry and Trade

Commissioner Charlie McCreevy
DG INTERNAL MARKET
Rue de la Loi/Wetstraat 200
B-1040, Brussels
Belgium

Dear Commissioner McCreevy,

With regard to the statements you made yesterday in connection with your visit to Stockholm I would like to make the following comments.

The Swedish labour market model does not in any way discriminate or hinder Service's providers from other countries who wish to come to Sweden. On the contrary, Sweden has one of the most flexible labour markets in the EU and has very few working requirements overall. The right to provide Services is even concluded in our constitution.

All member states regulate their labour markets. In the Swedish case we have a model for the labour market which has been in force for decades and which is based on collective agreements between employers and trade unions. It is a model where the agreements have the same status as requirements in member states that use legislation to regulate their labour market. Questions such as minimum wage are in Sweden only taken care of through collective agreements. Preserving our model was a prerequisite when we joined the EU in 1995 and where we got assurances that it did not constitute any problems.

Furthermore, the recent development where the Swedish trade unions and the employers organisation have concluded a central agreement to make it even easier for foreign companies to conclude collective agreements clearly shows how flexible our market is.

Sweden welcomes all companies, but as all other member states in the EU we demand competition on equal terms. This is a fundamental right which is clearly stated in the Posting of Workers Directive and also is at the core of the European cooperation.

With this in mind, I find it remarkable that you with such a clear voice stated that the Commission is going to intervene against Sweden in the ongoing court proceeding concerning a foreign construction company. I fully agree that it is for the European Court of Justice to decide whether there has been any breach of community obligations. But to hear that the

Commission is standing behind a thrust against a member state who has regulated its labour market in a different way than most other member states, but where the aim and purpose is the same, is truly unacceptable.

I take it that it was a more personal view that you expressed and not the view of the commission.

If it is going to be the view of the whole Commission, most member states will certainly be worried and it will be more difficult to communicate what the European cooperation is all about. It will also affect the Swedish government's ability to conform to work constructively with the commission on the Service Directive.

I sincerely hope that there has been some kind of mistake or misinterpretation and I am looking forward to your swift reply.

Best regards,

Thomas Östros