

ICM survey of Chief Executives for Open Europe

Methodology

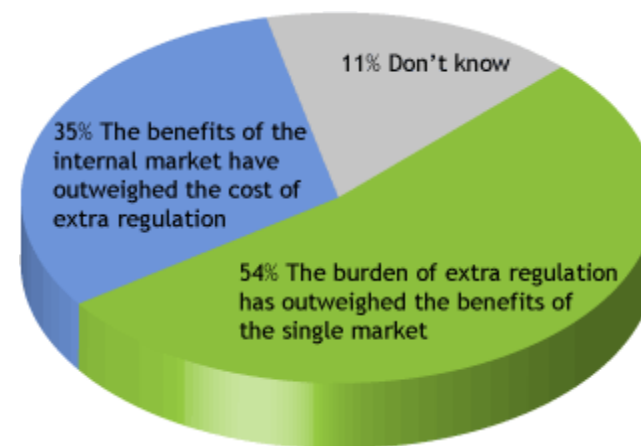
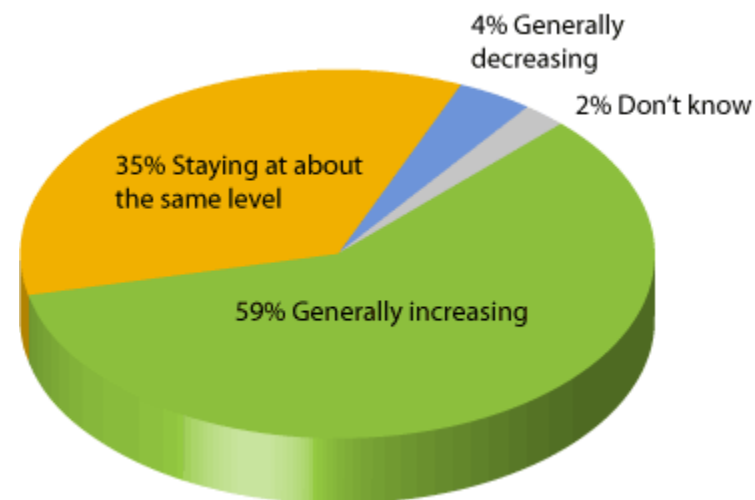
ICM surveyed 1,000 Chief Executives between 11 and 29 September. Professional business polls of this size and reliability are rare because they are very time consuming to run.

ICM took a meaningful sample of businesses of all sizes - four groups of interviews with 250 Chief Executives in each of the following categories: (i) 0-4 employees (ii) 5-49 employees (iii) 50-249 employees and (iv) 250+ employees. We also asked how much trade each respondent company did with the rest of the EU.

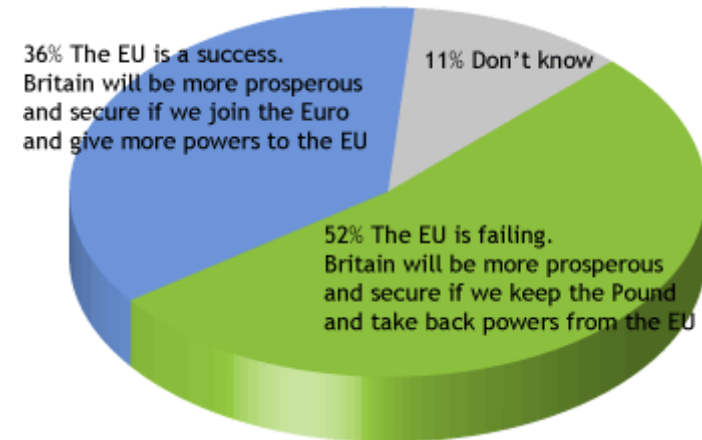
Here we present the data weighted by firm size – businesses are weighted according to the number of people they employ, and so effectively larger businesses have a proportionally bigger “vote”.

Key findings

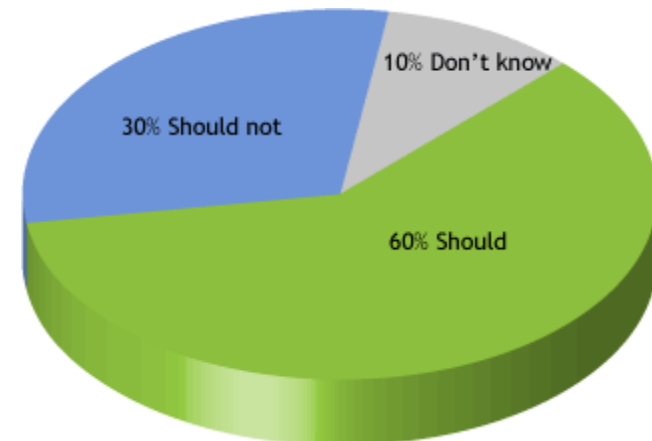
- **Regulatory burden felt to be rising.** Despite the Commission's pledge to reduce regulation, there is a very strong perception that the burden of regulation imposed by the EU is still increasing. Interestingly, this is not just a typical 'small business grumbling' – the perception of increasing regulation is strongest among the largest businesses. Overall, 59% think the burden of EU regulation is increasing, 35% think it is staying the same and just 4% think it is decreasing. However, among the largest businesses, (250+ employees) a stunning 70% think regulation is increasing, 27% staying the same and just 2% decreasing.
- This finding comes after Enterprise Commissioner Günter Verheugen last week warned that EU regulations are now costing the European economy €600bn a year, and that attempts at deregulation have so far been thwarted by powerful civil servants within the European Commission.
- **Increased regulation is seen to have outweighed the benefits of the Single Market.** We put to respondents the point that some legislation is needed to create a Single Market, and asked whether they felt that, for their company, the benefits of the Single Market had outweighed the cost of the new regulations needed to create it. 35% said the costs of the extra regulation were outweighed by the benefits of the Single Market. However, 54% said the costs of the extra regulation outweighed the benefits of the Single Market. *Even among the businesses that do the most trade with the rest of the EU, a majority feel the same.* 51% of the businesses that do "a lot" of trade with the EU think that the costs of the Single Market outweigh the benefits while 43% think there has been a net benefit.



- **At present business thinks the EU is “failing.”** 52% agreed with the statement that “The EU is failing. Britain will be more prosperous and secure if we keep the Pound and take back powers from the EU”. Just 36% agree with the statement that “The EU is a success. Britain will be more prosperous and secure if we join the Euro and give more powers to the EU”.



- **Overall, business would like to renegotiate the UK's involvement with the EU back to essentially just a free trade area.** ICM asked respondents: “Do you think that Britain should or should not renegotiate the existing EU treaties so that they are reduced to trade and association agreements only?” 60% thought it should, 30% thought it should not. Even the largest businesses (250+) supported the idea by a margin of 52% to 37%, and those who do a lot of trade in Europe, by 55% to 38%.

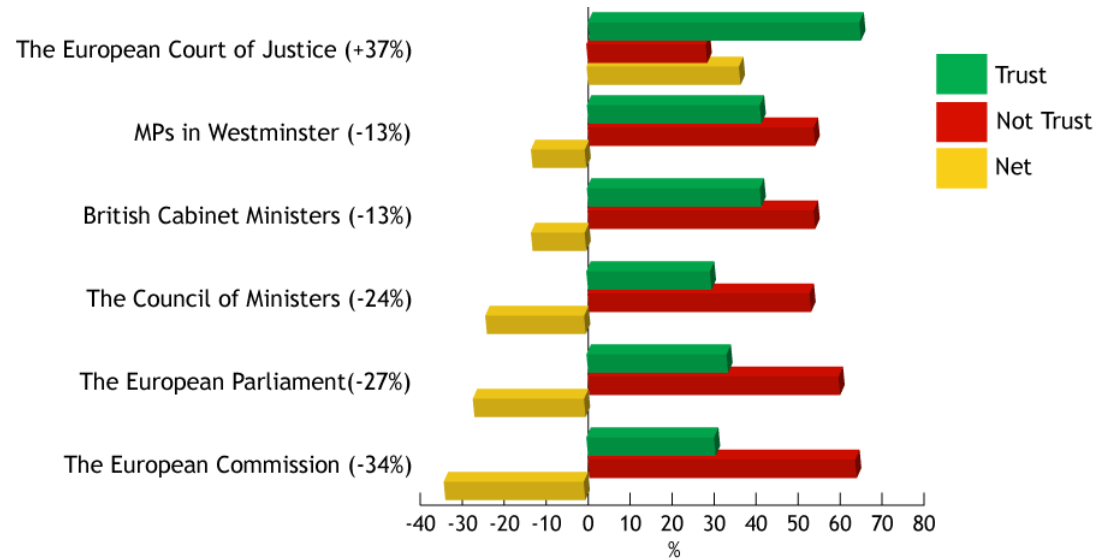


Other findings

- **Which institutions does business trust?** The European Court of Justice has the highest trust ratings, whereas generally the European institutions fare less well than UK institutions. The Commission is the least trusted body.

Q: Here is a list of people and groups who can influence the decisions of the EU. For each, please tell me whether you would trust them or not trust them to make decisions in the best interests of ordinary people?

	Trust	Not Trust	Net
The European Court of Justice	66	29	+37
MPs in Westminster	42	55	-13
British Cabinet Ministers	42	55	-13
The Council of Ministers	30	54	-24
The European Parliament	34	61	-27
The European Commission	31	65	-34

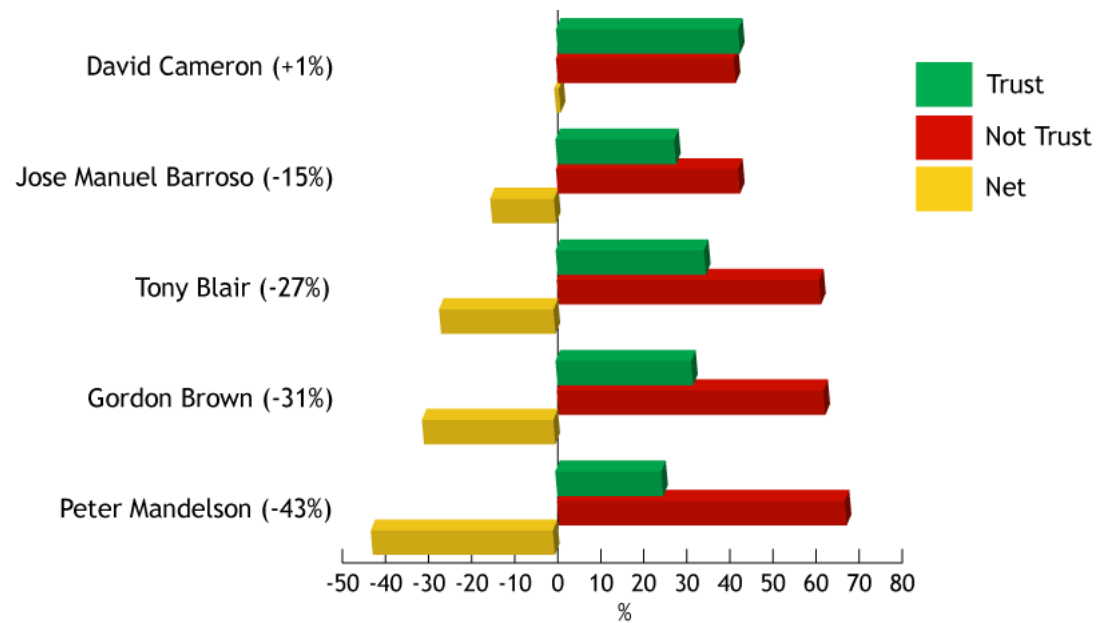


- **David Cameron is far more trusted by business than Gordon Brown or Tony Blair**, although even he barely has a positive rating. Businesses are generally very sceptical about politicians. Jose Barroso does better than Blair and Brown, but still has a negative score. Peter Mandelson is the least trusted of all, on minus 43%.

Q: Here is a list of people and groups who can influence the decisions of the EU. For each, please tell me whether you would trust them or not trust them to make decisions in the best interests of ordinary people?

	Trust	Not Trust	Net
David Cameron	43	42	+1
Jose Manuel Barroso	28	43	-15
Tony Blair	35	62	-27
Gordon Brown	32	63	-31
Peter Mandelson	25	68	-43

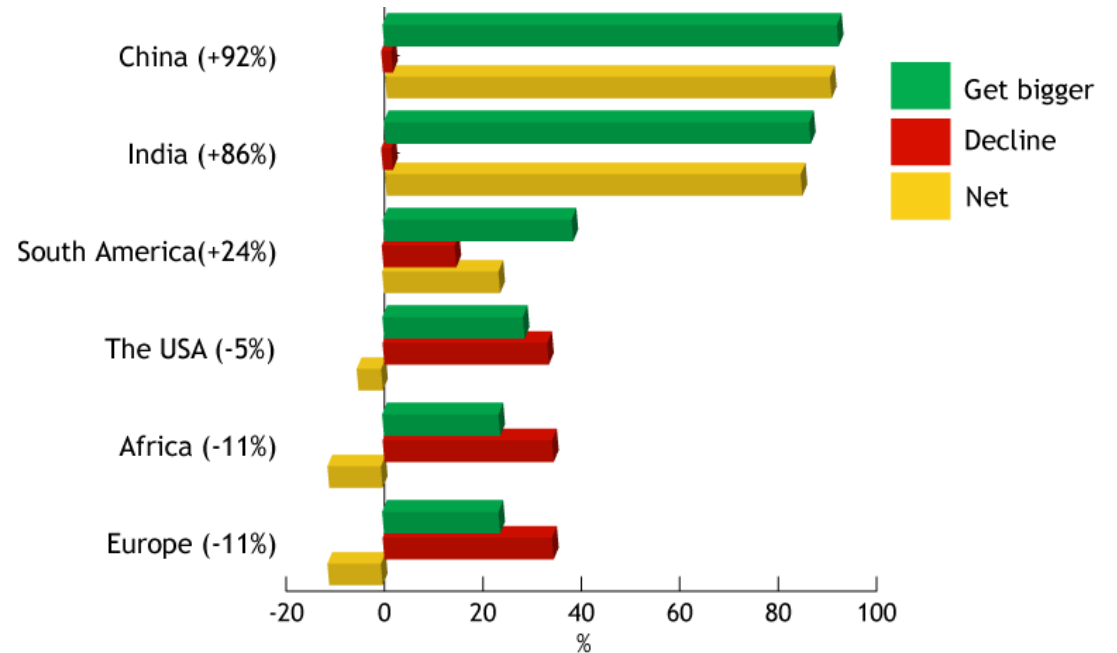
- **Some fear that a Brown administration might be less business-friendly than Tony Blair.** For background, we also asked a general comparison question: Do you think that if Gordon Brown becomes Prime Minister he will be more or less friendly to business than Tony Blair? 19% thought he would be more friendly, 43% less friendly and 30% about the same.



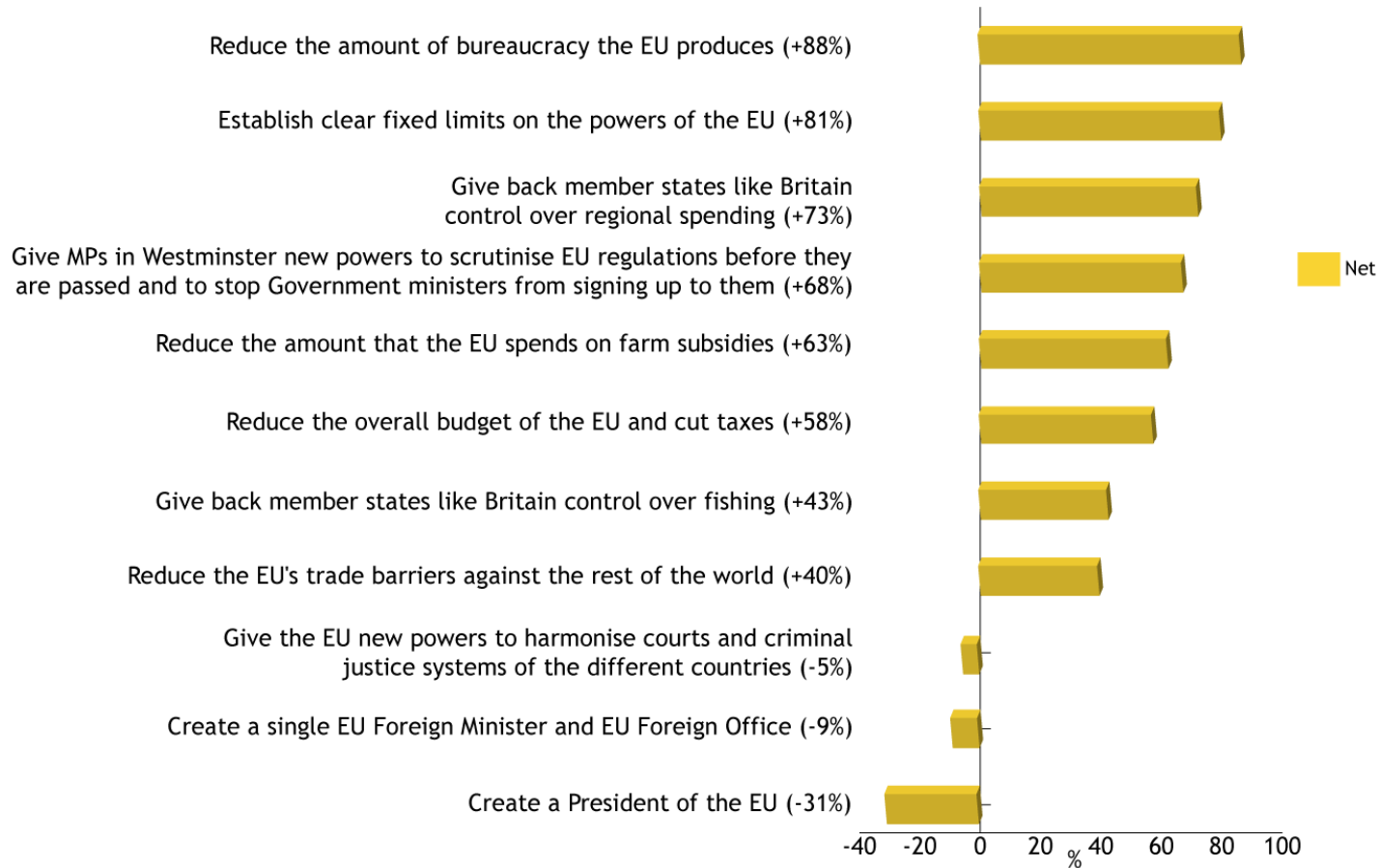
- **Business thinks Europe is set to decline in importance in the world economy. Its prospects are regarded as being equivalent to those of Africa.**

Q: I am going to read out a list of world regions, and for each one I would like you to tell me whether you think that in the future their share of the world economy will get bigger, stay about the same, or decline?

	Get bigger	Stay the same	Decline	Net
China	94	3	2	+92
India	88	8	2	+86
South America	39	38	15	+24
The USA	29	35	34	-5
Africa	24	38	35	-11
Europe	24	39	35	-11



- Businesses are keen to see the EU regulate and spend less.** In terms of the debate about the forthcoming mini-treaty, it's significant that businesses are not enthusiastic about the kind of institutional changes that are being discussed.



	Good idea	Bad Idea	Net
Reduce the amount of bureaucracy the EU produces	93	5	+88
Establish clear fixed limits on the powers of the EU	89	8	+81
Give back member states like Britain control over regional spending	84	11	+73
Give MPs in Westminster new powers to scrutinise EU regulations before they are passed and to stop Government ministers from signing up to them	83	15	+68
Reduce the amount that the EU spends on farm subsidies	79	16	+63
Reduce the overall budget of the EU and cut taxes	77	19	+58
Give back member states like Britain control over fishing	69	26	+43
Reduce the EU's trade barriers against the rest of the world	66	26	+40
Give the EU new powers to harmonise courts and criminal justice systems of the different countries	45	50	-5
Create a single EU foreign Minister and EU Foreign Office	41	50	-9
Create a President of the EU	32	63	-31