

March 4, 2003

Rt Hon Tony Blair, MP
Prime Minister
10 Downing Street
London
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I am writing on behalf of the 1,000 member companies of BritishAmerican Business Inc (BABi), the leading transatlantic business organisation regarding the EU Temporary Agency Workers Directive. We are worried that the British labour market and, consequently, the business interests of our members and their levels of new investment into Britain, may be adversely affected by the stipulations contained within the Directive.

While we understand the main objective of the Directive to protect Europe's most vulnerable workers, we are concerned that it will have implications for the flexibility of the UK labour market. The implementation of this Directive is liable to have a negative impact on the business interests of our UK and US member companies, and potentially on investment into the UK by companies attracted to the flexibility of a labour force featuring roughly 600,000 temporary workers.

We are also concerned that neither the proposed Directive nor the UK Department of Trade and Industry's Impact Assessment take into account highly-skilled temporary workers (such as in the hi-tech sector) who choose the flexibility – and, often, higher pay - of temporary work over the security of permanent employment. While it is important to protect vulnerable workers, it is also important to maintain as much flexibility as possible within the knowledge-based economy. Removal of this flexibility through the provisions currently proposed could have a severe impact on many of the UK's most technologically advanced companies. These businesses rely on the ability to manage highly skilled resources in order to meet changes in demand and project timeframes.

In general, we are pleased that your Government has been proactive on this issue and is putting the case for British industry. Recent remarks by Chancellor Brown arguing that flexibility in the European labour market can advance economic efficiency hearten the transatlantic business community.

We urge your Government to maintain a strong position on this issue in negotiations, so that a finalised model for temporary work in Europe retains the attractive flexibility of the British model.

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