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Federal Minister for Economic Affairs and Energy  
Chair of the Competitiveness Council  
Scharnhorststraße 34-37  
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Vienna, 11 September 2020

Subject: 18 September Competitiveness Council must set tone for the recovery

Dear Minister Altmaier,

The EU has never been more crucial than in this time of crisis and the role of the Competitiveness Council in EU policy-making has never been more pivotal. The 18 September online ministerial meeting is therefore of particular significance. I urge you to ensure that your discussions lead to clear and substantive agreement in relation to the single market and SME policy.

The March 2020 Commission package on SMEs, industrial strategy and single market enforcement contained several encouraging elements. Nonetheless, the follow-up has been fitful, and many questions remain about how the EU is going to coordinate the commendable aims set out in the various documents. The Competitiveness Council can increase the momentum by focussing on the most significant and potentially impactful issues.

The single market has been under considerable pressure since March. Chambers across Europe have been reporting severe additional obstacles to cross-border activities in the EU due to national measures imposed in response to COVID-19. While measures were taken to safeguard the circulation of goods within the single market, the free movement of service providers and workers across the EU was not similarly secured, which has negatively impacted upon European businesses. Six months on, the piecemeal approach by member states to such measures continues to greatly undermine businesses' attempts to rebuild their activities, reconstruct their European value chains and drive the recovery.

The announcement of a Council recommendation by the European Commission on 4 September to coordinate and communicate better on the response is highly welcomed. It is of utmost importance that the Competitiveness Council acknowledges the value of this recommendation to the economic recovery. EUROCHAMBRES supports the proposals of the Commission on an alignment of member states regarding restrictions to free movement in the EU. Member states should avoid the adoption of unilateral measures that could be

inconsistent, disproportionate, and discriminatory. Transparency and centralisation of information on travel restrictions within the EU is paramount to avoiding uncertainty, and additional bureaucracy must be prevented. A fully functioning Single Market should be ensured at all times, all the more during an economic crisis.

Even before COVID-19, many barriers prevented SMEs in particular from capitalizing on the full potential of the single market, as Chamber data underlines. There is broad political consensus on the need to strengthen the single market. EUROCHAMBRES' *Doing Business in the EU* report of December 2019 (please find link at the end of this letter) provides valuable input on how to achieve this goal, including a list of the main obstacles and recommended solutions, based on feedback from over 1.000 businesses. Among the most pressing needs listed by companies are cutting red tape, better access to information on national requirements and digitalisation of administrative procedures.

Access to the single market is certainly one of the main aspects of the SME Strategy, but the crisis heightens the need to mainstream the needs of SMEs across all relevant EU policy areas. This must particularly be respected in the context of the twin ecological and digital transitions, which must be viewed through the prism of the economic recovery. Chambers hope for a strong signal from the Competitiveness Council therefore on the need to respect the 'think small first' principle and to conduct systematic SME tests on the many new policy proposals that are in the pipeline as the Commission pursues its priorities for this term. This philosophy is the key to a future-oriented EU SME policy and as such must also be respected by the co-legislators.

Thank you in advance for taking into account these views on the single market and SME policy during the Competitiveness Council. I wish you a productive and successful meeting – EUROCHAMBRES will be monitoring the outcome carefully and the chamber network remains available to support the German Presidency and all member states in our shared objective of a swift and sustainable economic recovery.

Yours sincerely,



Christoph Leitl, President of EUROCHAMBRES

cc: Thierry Breton, European Commissioner for Internal Market

Link to EUROCHAMBRES' December 2019 ['Doing Business in the EU' report](#)