

Single Market Emergency Instrument: chambers ask for rebalancing of priorities and more legal certainty

While supporting the broad objectives of today's European Commission proposal for a Regulation for a Single Market Emergency Instrument, Eurochambres warns against overshooting and thus call for greater clarity.

One of the key lessons of the Covid-19 crisis is that the EU needs a better toolbox to mitigate the negative effects of unforeseen crises, but Eurochambres CEO, Ben Butters, underlined that this needs to be ensured in a proportionate and appropriate manner. *"Today's proposal is an effort to achieve greater resilience but goes beyond what is needed and risks creating legal uncertainty. In particular, the activation criteria triggering new powers for the Commission are too broadly defined. We therefore call upon the co-legislators to introduce more precise wording."*

The Covid-19 crisis not only underlined the interdependency of our European value-chains, but also the weaknesses in the governance of the Single Market as many EU member states unilaterally decided to close their borders, effectively putting commercial flows to a halt. Eurochambres thus supports the Commission in creating a new governance framework to avoid the imposition of arbitrary restrictions that could negatively and unjustifiably affect the free movement of goods, services and labour.

The Commission's proposal partly addresses this issue, but introduces a host of other measures that may overreach the objectives, such as a "vigilance mode". While the creation of an advisory group is foreseen to assist the Commission in defining whether a situation actually constitutes a crisis, there are far too many unknowns as regards to how the different emergency modes will be decided upon.

The proposal also foresees information requests for companies, failing to respond to which would result in the imposition of fines. The latter is not justified and only the voluntary provision of information should be considered.

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