

**Ms. Ebba Busch**  
Deputy Prime Minister  
Minister for Energy, Business and Industry of Sweden  
Chair of the EU Competitiveness Council

Sent by email

23 February 2023

**Subject: Eurochambres contribution to the COMPET Council policy debate on long-term competitiveness and productivity in the single market**

Dear Deputy Prime Minister,

Eurochambres appreciates the Presidency's decision to exchange views on the long-term competitiveness and productivity in the single market during the next EU Competitiveness Council scheduled for 2 March 2023.

The repercussions of the pandemic and the Russian invasion of Ukraine have been felt across all member states and in all sectors and recent Eurostat data<sup>1</sup> indicates that business bankruptcies in Q4 2022 reached their highest level in the EU since 2015. Furthermore, the gradual phase out of temporary supporting schemes for the economy is undermined by the absence of a parallel reduction in regulatory and reporting requirements. Indeed, the latter are expected to increase considerably<sup>2</sup>, further hindering businesses' capacity to recover.

## Single Market

The chamber network believes that a **key factor of Europe's economic competitiveness is the single market** and that the EU's 30 million businesses<sup>3</sup> can better fulfil their role as enablers of growth, productivity and employment if lawmakers improve the regulatory environment in which they operate.

Eurochambres' most recent survey on the barriers affecting the single market<sup>4</sup> showed that complex administrative procedures and the variety of different national rules on goods and services place a considerable burden on businesses. These barriers represent a handicap to businesses and also affect market entry, limit economies of scale, and affect investment decisions. **It is therefore crucial for member states to remove obstacles that are directly linked to a lack of coordination and harmonisation** which, in turn, hamper the proper functioning of the single market.

The Council must address these persisting challenges and facilitate new opportunities by deepening the single market in the coming decade. Its strengths must be consolidated in a **new integrated and all-encompassing single market programme** focused on driving sustainability, competitiveness, digitalisation and job creation. Member states must also reflect on the importance of systematically applying the "think small first" and "digital by

<sup>1</sup> <https://ec.europa.eu/eurostat/en/web/products-eurostat-news/w/DDN-20220217-2>

<sup>2</sup> Linked to implementation of the CSRD and the proposals for CS3D, ESPR, EED or SMEI

<sup>3</sup> <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20221220-4>

<sup>4</sup> <https://www.eurochambres.eu/wp-content/uploads/2020/08/Business-Survey-The-state-of-the-Single-Market-Barriers-and-Solutions-DECEMBER-2019.pdf>

default” principles to the drafting and implementation of regulations, and assure the best possible conditions for innovation to flourish. The business community stands ready to support the Council in stimulating genuine progress in the free movement of goods, services, capital, people and data<sup>5</sup>.

### Green Deal Industry Plan

Eurochambres also acknowledges the urgent need to adapt the EU Industry Strategy. The recent communication by the European Commission on the Green Deal Industry Plan was timely and necessary. Strengthening the EU industrial fabric, keeping a fair level playing field for Member States, and avoiding a zero-sum game with other economic areas in the world is fundamental. **Eurochambres calls on member states to ensure fast deployment of the existing EU financial instruments and provide incentives for private investments on green technologies and renewable energies.**

Europe is facing the risk of deindustrialisation, heavily influenced by rising energy prices and imported inflation that are further exposing existing challenges. The state aid debate and subsidy race exacerbated by global competitors is a double-edged sword and our top priority must be to preserve the single market’s integrity. The **EU must ensure that it remains an attractive manufacturing location**, not only for already established businesses, but also to foreign investors. Only by avoiding market distortions and guaranteeing fair international competition in critical sectors the single market will the maintain its innovative leadership on an international level.

### Competitiveness

To enhance the competitiveness of EU businesses, the impact of all EU initiatives on companies and their business environment must always be assessed. Eurochambres welcomes in principle the plan to apply a “**competitiveness check**” to address potential competitiveness impacts. However, **we await details on the form that this mechanism will take and the stage(s) in the policy process at which it will be applied.** The competitiveness check must be a key component of EU decision-making and it should be applied to any EU policy and law-making process, including legislative initiatives, secondary legislation, fiscal measures, strategies, and programmes, as well as international agreements. To provide added value, the competitiveness check should focus on quantifying the cumulative burden, i.e., look at the broader implications of each potential new initiative and take into account existing and pending legislation on a particular sector or segment of the economy.

Thank you in advance for taking this input into consideration and for sharing our ideas with ministers during the discussions.

Yours sincerely,



Ben Butters

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<sup>5</sup> <https://www.eurochambres.eu/wp-content/uploads/2022/06/Joint-industry-statement-on-the-Single-Market-27-June-2022.pdf>