

Héctor Gómez,
Minister for Industry, Trade and Tourism of Spain
Chair of the EU Competitiveness Council

Sent by email

19 September 2023

Subject: Eurochambres contribution to the 25 September Competitiveness Council policy debate on single market competitiveness and productivity

Dear Minister Gómez,

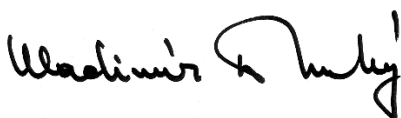
Strengthening the integrity of the single market is more important than ever in supporting the competitiveness of European economies given the current turbulent global context and broader supply chain disruptions and inflation. Eurochambres therefore welcomes the fact that this is central to the agenda of the forthcoming Competitiveness Council.

Companies call for the removal of all unwarranted barriers to cross-border business operations and intra-EU investments, so the EU institutions must be ambitious in their pursuit of a fully-fledged single market for all economic activities. Chambers of commerce and industry support the European Council conclusions from 29-30 June calling for an independent High-Level Report on the future of the Single Market. We are currently running a major pan-European survey to assess the obstacles encountered by businesses within the single market and to gather solutions and would be pleased to provide the findings for the preparation of the high-level report. A similar survey four years ago highlighted that businesses are adversely affected by onerous administrative burdens, diverging goods/services rules and the costs of regulation. This underlines the need to pursue a more level-playing field anchored in full harmonisation clauses, and supporting companies that are struggling with a growing number of obligations and costs.

Europe's competitiveness relies on a dynamic SME community and on a growth-enhancing regulatory framework. 80% of all EU legislative initiatives are deemed relevant to SMEs. The greatest relief that the EU co-legislators could offer is therefore a robust legislative stock-taking exercise and a commitment to 'think small first' in relation to future policy-making. Achieving a predictable regulatory framework requires an ambitious European regulatory burden reduction programme. Bureaucracy is a business location factor of increasing importance as it creates obstacles to investment, competitive disadvantages, and fragmentation of the common market. Competitiveness checks and the SME Test must therefore consistently report the expected burden for businesses and the Commission, Parliament and Council must in turn take these findings into account in their decisions and carefully gauge the impact of potential amendments to Commission proposals.

Europe's business community is faced with many challenges. A smoothly functioning single market is one significant way in which to mitigate these challenges and to enable our businesses to drive Europe's economic recovery. Chambers are therefore keen to work with member states to ensure that the single market fulfils its potential.

Yours sincerely,



Vladimír Dlouhý, President