

Mr Charles Michel
President of the European
Council
European Council
Rue de la Loi 175
B-1049 Brussels

Brussels, 16 October 2023

Subject: Eurochambres messages ahead of the European Council on 26-27 October

Dear President Michel,

Ahead of the European Council meeting on 26-27 October 2023, Eurochambres invites heads of state and governments to prioritise strengthening the EU's industrial base and deepening the single market by developing a robust industrial strategy. This should focus on simplified, faster procedures, and enabling targeted investments in green energy and digital transformation by EU businesses

Eurochambres would like to provide comments on some of the key agenda highlights to be discussed from the perspective of the European chamber network and the millions of businesses – mostly SMEs – that they represent and serve.

Ukraine



Eurochambres welcomes the dedicated European Commission Facility to support Ukraine's recovery, reconstruction and modernisation and stresses that a specific focus should be given to SMEs which are more vulnerable to the current adverse situation. Eurochambres is ready to step up and support Ukraine in addressing both challenges of reconstruction and implementation of reforms in relation to the EU accession process. The enhanced cooperation between chambers from the EU and Ukraine will facilitate exchanges of best practices and know-how and commercial relations between companies.

Independent High-Level Report on the future of the Single Market

Eurochambres' [survey](#) "The state of the Single Market: barriers and solutions" 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 linked to a lack of coordination and harmonisation which, in turn, hamper the proper functioning of the single market. Different standards and gold-plating by member states undermine the single market, so we need effective measures to address existing barriers to cross-border commercial operations, investment and innovation.

Industrial Strategy

A well-functioning single market relies on a strong European industrial base, keeping a fair, level playing field for EU member states. Measures should be taken to bridge the gap created by the current state aid framework,. This remains key to avoid distorting competition within the single market while moving forward with the green transition. Effective industrial



policies must consistently factor in the contribution of businesses to the European economy, help unleash their potential, and boost their productivity. Public support must be combined with a predictable regulatory framework. Excessive administrative burdens hinder the post-pandemic recovery of businesses and risk becoming a decisive (re)location factor for the European industrial base. The increasing requirements stemming from EU legislation are having a worrying cumulative effect on the competitiveness of businesses, already exposed to external competitors. Industrial policies should facilitate structural changes and business dynamics by supporting innovation capacity building and enhancing the skills of the workforce.

Net Zero Industry Act (NZIA)

Eurochambres agrees on the need to set ambitious objectives to identify and overcome key challenges and specific obstacles that hold back investments in clean tech. However, this aim should be a political commitment, not a regulatory requirement. The NZIA should provide a simplified regulatory framework for clean tech, while addressing bottlenecks arising from permitting procedures e.g., environmental regulation to speed-up the green transition. It is also important to accelerate permitting procedures for all relevant economic sectors, not just a select few.

Critical Raw Materials Act

The European Commission's proposal for a Critical Raw Materials Act is a welcome and necessary step towards enhancing the security of supply of critical raw materials in times of exponentially increasing demand as the European and global economy transition to a low carbon economy. While an acceleration and de-bureaucratization of strategic projects for the sourcing of raw materials both in the EU and third countries is very welcome, the proposal's shortcomings in terms of scope, and the likelihood of additional obligations and reporting and monitoring burdens imposed on companies need to be addressed.

Migration

In a context of strong migration pressure, Eurochambres reiterates its support for enhanced cooperation and dialogue with neighbouring countries and for finding lasting common solutions at European level. Considering the ongoing workforce and skills shortages across Europe, facilitating legal migration and concluding labour-oriented partnerships with third countries has the potential to alleviate the pressure on the European labour markets while ensuring mutually beneficial exchanges. In particular, Eurochambres supports the ongoing development of the Talent Partnerships and of other initiatives aimed at improving legal pathways to the EU. As a member of the European partnership for Integration, Eurochambres is also committed to pursue its work in favour of a better integration of migrants and refugees in the labour market.

COP28

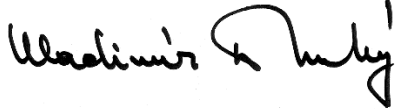
The forthcoming COP is an opportunity for the EU to convince the international community to align its climate ambitions with those of the EU to effectively combat the global problem of climate change. The Green Deal enhances Europe's climate protection leadership, but also widens the gap with global competitors in cost terms, disadvantaging Europe's energy-intensive industries. Hence, as European climate policy evolves, maintaining industrial capacity is crucial to prevent de-industrialisation. The Green Deal Industrial Plan addresses the EU's "Net-Zero" industries' competitiveness and the road to European climate neutrality, which is a positive first step. The guiding principle of internationally oriented climate policy

Eurochambres – the association of European chambers of commerce and industry - represents approximately 20 million businesses in over 40 countries and via a European network of 1700 regional and local chambers. Chambers' member businesses employ over 120 million people.

PRESIDENT

should continue to be the international harmonisation of climate protection standards and coordinated pricing of greenhouse gas emissions. Effective climate protection is only possible through new investments in the energy transition and efforts at the global level. Measures limited to the EU will have only a minimal effect against the backdrop of the EU's rapidly declining share of global greenhouse gas emissions.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Vladimír Dlouhý".

Vladimír Dlouhý