



**GETTING
BACK
TO
BUSINESS**

**SINGLE MARKET
PRIORITIES FOR THE
2024-2029 EU TERM**

**EUROCHAMBRES**

Eurochambres Single Market Priorities for the 2024-2029 EU term

Considering the impending 2024-2029 legislative period, Eurochambres urges European institutions to prioritise the single market, ensure the proper, systematic enforcement of EU law and foster the digital transformation. Policymakers must also adopt concrete measures to enhance digitalisation, prioritise fair competition and strategic resource allocation, and eliminate all bottlenecks to growth and prosperity in Europe.

1. Summary:

For the next legislative period 2024-2029, Eurochambres urges EU policymakers to:

- ❖ Build on the outcomes of the Letta report to develop a new horizontal single market strategy with clear actions and targets to deepen the free movement of goods, services, people (including workers) and capital, increase cross-border trade, and reduce fragmentation in Europe.
- ❖ Reduce the growing legal complexity, correctly implement and enforce EU legislation, uphold the principle of mutual recognition and mitigate the most pressing single market barriers.
- ❖ Boost efforts to reduce administrative burdens on businesses, especially excessive reporting obligations, to preserve the competitiveness of the single market.
- ❖ Guarantee a more business-friendly consumer agenda by ensuring fair competition, a stable regulatory environment, and effective policies that enhance consumer purchasing power and protect companies against opportunistic litigation.
- ❖ Enhance digital competitiveness through coherent legislative initiatives that foster a consolidated digital single market and promote regulatory sandboxes to encourage innovation and facilitate market experimentation.
- ❖ Enhance advisory services for GDPR implementation, and remove Single Market barriers to the introduction of digital products and services
- ❖ Strengthen Europe's competitive edge by enhancing IP protection, investing in applied research, establishing centres of excellence, and streamlining regulatory processes with principles like digital by default and single submissions of information ("once-only principle").
- ❖ Prioritise fair competition by ensuring non-distortive allocation of state aid and increasing financial support to help SMEs digitalise and stay competitive. This is without prejudice to state aid that may be necessary to neutralise systemic handicaps of companies operating from certain territories, such as island states and peripheral regions.
- ❖ Ensure effective distribution of financial resources and support SMEs in accessing them.

2. State of play:

A well-functioning single market is key to deepen Europe's economic integration and to scale up its productivity and competitiveness. However, major economic indicators and key metrics reveal that the EU is lagging in business performance, investment in innovation, R&D, infrastructure and industrial intensity. Furthermore, long-standing challenges for productivity growth and the competitiveness of European economies have been highlighted in the EU for years and businesses still face significant barriers to cross-border trade as recently identified in our 2024 Eurochambres Single Market Barriers Report.

EU lawmakers must uphold the level playing field within the single market, seize the economic opportunities, and fully exploit supply chains at the EU level. Finally, deepening the four freedoms, addressing the legal fragmentation and adopting future-proof, business-friendly policies is essential for European firms, regardless of their size.

The digital transformation is reshaping our world at its core. Over the past decade, our social and economic activities have increasingly moved online, driven by rapid technological advancements. Despite Europe's reputation as a hub of innovation and research, its digital enterprises often struggle to match the scale achieved by counterparts in the US and China, home to the world's most valuable digital giants.

Europe has made significant progress in its digital transition in recent years, but there is still much work ahead to empower SMEs and secure global digital leadership. For SMEs, embracing digital transformation is no longer a choice but a necessity for growth, sustainability, and competitiveness. However, many SMEs underutilise advanced technologies due to awareness gaps and challenges in digitalisation. Addressing these issues requires enhancing ICT expertise and improving workforce competencies.

Digital platforms are set to remain central in the future digital economy, with projections indicating that by 2030 up to 70% of new value creation will occur through these platforms. EU policymakers must also prioritise digital initiatives and ensure fair competition through strategic resource allocation.

3. Priorities on the Single Market:

a) Ensure a functioning single market

The EU must prioritise sustained, pragmatic policy actions, reinforce its strategies for deepening the single market, guarantee its four freedoms and reduce trade barriers. Member states must commit to structural reforms that align with the broader goals of market integration and enhanced competitiveness. **Addressing the growing legal fragmentation** and implement consistent policies across the EU is crucial.

EU institutions must guarantee uniform implementation and enforcement, strengthen trust in cross-border trade of goods and services and ensure a regulatory regime that creates a level playing field. The alignment of national rules and standards can spur competition in the single market but only if the economic benefits outweigh the costs. If harmonisation leads to disproportionate bureaucracy, no business is helped. **Gold-plating must be avoided**, and member states and their respective administrations should strengthen market surveillance authorities while adhering to the **principle of mutual**

recognition. Finally, member states must adopt solutions to **facilitate the cross-border posting of workers** and mitigate its costs.

The **rule of law in the single market** (currently only addressed by infringement proceedings) need to be strengthened so that foreign investors are no longer discriminated against in some member states. An internal market chapter needs to be added to the European Commission's rule of law report to better highlight the problem faced by companies operating cross-borders.

Upcoming single market reports and insights prepared by the Commission services must deal with Europe's declining industrial output and drop in competitiveness. These reports must continue tracking structural obstacles affecting the business community and lay the path towards removing them.

Harmonised rules must eliminate unjustified administrative burdens, especially excessive reporting. Impact assessments should consider the limited capacity of businesses, especially SMEs, and the implications for their competitiveness.

EU institutions must also address **cross-border restrictions, unfair practices, and reinforce the principle of mutual recognition**, allowing items legally placed in a member state to be marketed all over the EU without additional certificates, testing or technical requirements.

Finally, the next political mandate increase administrative cooperation through e.g. the Internal Market Information System (IMI) and the Once Only Technical System (OOTS). The **Single Market Enforcement Taskforce (SMET)** should apply a results-oriented approach, work in a transparent manner and with the involvement of business stakeholders.

b) Guarantee a more business-friendly consumer agenda

EU institutions must guarantee **fair competition to enable all businesses and consumers** to reap the benefits of the single market. Consumer confidence can rise if Europe offers a stable regulatory environment for businesses to trade freely. A level playing field in terms of enforcement of rules needs to be ensured for all businesses.

The EU can enhance consumers' purchasing power and reduce inflation by shaping the right macro-economic conditions for stronger market operators. Implementing policies that lower production costs, control energy prices and streamline supply chains will **increase consumer choice** by making a wider range of affordable goods and services available.

Policies should be technology-neutral, allowing businesses to adopt optimal, cost-efficient, and feasible solutions for delivering the best possible service to consumers

The upcoming Consumer Agenda should promote access to justice while at the same time **protecting firms from opportunistic litigation**, increasingly fuelled by third party litigation funding (TPLF). The European Commission must propose sensible safeguards for effective oversight of TPLF in all areas of law and types of litigation. Particular attention must be paid to protecting companies from third party funded collective actions.

Ensure that **EU consumer law framework remains coherent and fit for purpose** and allocate the appropriate resources to guarantee its proper enforcement. Possible gaps and

challenges, specifically those linked to the online advertising market, can be addressed through the existing rules.

4. Priorities on Digitalisation:

a) Enhance digital competitiveness

The 2019-2024 term saw an array of legislative initiatives aimed at regulating the digital sphere: DSA, DMA, Data Act, Chips Act or AI Act would all feature on that list without exhausting it. Eurochambres welcomes this push towards a further consolidation of the digital single market and is working together with other stakeholders and policymakers to ensure that regulation contributes to its stated purpose in fostering international competitiveness, a level-playing field, as well as legal certainty. Regulations must create a conducive environment for European businesses – and SMEs in particular – to thrive. **Upcoming legislative initiatives must be coherent and cannot contradict each other nor pre-existing regulations.**

While we welcome the push towards a further consolidation of the digital single market, it is important to note that, if existing laws already address digital matters adequately, **new regulations should be introduced only to address specific market failures.**

Regulatory sandboxes are essential for businesses to explore and experiment with innovative products, enabling them to proactively identify and capitalise on emerging opportunities in the digital sphere while maintaining a competitive edge. Entry criteria should be clearly defined to ensure that regulatory sandboxes are broadly accessible to all businesses, particularly small enterprises, to ensure wide participation and foster innovation. It is important to ensure a reasonable duration for successful testing (exit report) and to define a clear liability regime.

Cybersecurity is a vital aspect of companies' digital transformation. The EU should support them in meeting the new requirements of the Network and Information Systems Directive (NIS 2) and help them implement tailored solutions that address their specific needs.

It is essential to enhance advisory services provided by European data protection authorities to companies by providing tailor-made support and practical tools which follow a risk-based approach. This will aid the practical implementation and ensure a **consistent interpretation of the GDPR** across all member state, supporting businesses to succeed in an increasingly digital global economy.

Identify and remove barriers within the single market that hinder the introduction of digital products and services. For instance, improving the digital European product passport to simplify cross-border sales and expanding the VAT one-stop-shop to cover cross-border movement of inventory across the EU.

Ensuring robust **protection of intellectual property rights** can enhance Europe's competitive edge. To prevent startups from relocating to other countries and to solidify Europe's position in the global market, weaknesses in intellectual property rights must be addressed.

Prioritising and increasing investment in applied research are essential to support businesses. This involves directing funding towards programmes focused on developing and real-world testing new digital applications, thereby fostering innovation and driving economic growth.

To increase the adoption of data and AI by companies, **establishing centres of excellence for digital technologies and data usage** is essential. These centres would provide businesses with the support needed to implement data and AI applications. European Digital Innovation Hubs (EDIHs) and the EIC Accelerator play a crucial support role in this regard.

Streamline, modernise and mitigate the reporting burden by introducing principles such as digital by default, single submissions of information while allowing its access in different member states, self-certification, and expedited procedures for minor non-compliances.

b) Prioritise fair competition and strategic resource allocation

Fair competition within the single market should be based on a non-distortive allocation of state aid, fostering innovation, productivity and growth across the EU. Market intervention from member states (e.g. through state-owned companies) must be minimised to ensure business neutrality and the expansion of the private sector.

It is crucial to **increase financial support** to enable SMEs to digitalise and maintain competitiveness on the international stage. Limited financial support, and lack of awareness regarding available funding opportunities, remain persistent challenges, leaving SMEs without adequate funding and resources.

Ensuring **effective distribution of financial resources** for the digital transition is crucial, focusing on maximising impact, ensuring accessibility for stakeholders, and establishing a robust framework that fosters excellence and adaptability for EU businesses. Drawing from the successful model of the Recovery and Resilience Fund (RRF), which dedicated at least 20% of funds to digital initiatives, this approach should be replicated across different funding streams. Additionally, there is a need to introduce a dedicated minimum allocation aimed specifically at enhancing digitalisation among SMEs.

Assisting SMEs in accessing financial resources for their digital investments and bridging the digital divide is crucial. The European Commission also needs to ensure that funding opportunities and financial support are accessible to business support organisations. Co-funding rates within EU programmes emphasising digitalisation and innovation significantly increased and unnecessary red tape should be mitigated.



Eurochambres - the association of European chambers of commerce and industry - represents more than 20 million businesses through its members and a network of 1700 regional and local chambers across Europe. Eurochambres is the leading voice for the broad business community at EU level, building on chambers' strong connections with the grass roots economy and their hands-on support to entrepreneurs. Chambers' member businesses - over 93% of which are SMEs - employ over 120 million people.

Single Market Committee Chair
Tomas Prouza

Committee Coordinator
Frederico Martins - Senior Policy Advisor
martins@eurochambres.eu



@Eurochambres
www.eurochambres.eu