

Mr Krzysztof Paszyk  
Minister of Economic Development and Technology  
Chair of the EU Competitiveness Council

Sent by email

04 March 2025

Subject: **Eurochambres input for the 12 March Competitiveness Council policy debate**

Dear Minister,

European businesses are facing challenges that require a resolute joint response by EU leaders. Deindustrialisation is a reality, not a threat; growth has stagnated; and bankruptcy levels are rising. All this in the context of heightening trade tensions and geopolitical uncertainty in and around Europe.

In such a turbulent climate, we must focus on controlling the controllables. We must urgently capitalise on the single market potential and remove remaining barriers to safeguard our long-term competitiveness. Linked to this, simplification and decarbonisation are certainly key objectives and require the full commitment of the 27 member states.

Chambers of commerce and industry are witnessing the consequences of policies drafted without adequately considering the impact on business. I therefore invite you to consider the following comments from Eurochambres, the association of European chambers of commerce and industry, on the items to be discussed at the forthcoming Competitiveness Council on the Internal Market and Industry.

### **For a more competitive European industry – Competitiveness Compass and Clean Industrial Deal**

To reignite sustainable growth, Europe must act decisively on **simplification, scale, security, and skills**. The initiatives under the Competitiveness Compass and Clean Industrial Deal are a step in the right direction, but their success will depend on swift, business-friendly implementation.

Access to affordable clean energy and raw materials remains critical for Europe's competitiveness. EU businesses face electricity costs two to three times higher than in the US while remaining dependent on a limited number of suppliers for critical raw materials. The new initiatives must deliver on expanding energy infrastructure, streamlining permitting procedures, and diversifying supply sources.

Skills shortages are another major barrier to competitiveness. According to the [Eurochambres Economic Survey 2025](#), based on responses from over 42,000 businesses, skills shortages rank among the top challenges for European companies. The Union of Skills initiative must set out concrete action to align the workforce with industry needs.

Eurochambres invites you to consider our most recent input on the [Competitiveness Compass](#) and [Clean Industrial Deal](#), calling for a **fair deal for all businesses** – one that enables decarbonisation while simultaneously driving Europe's reindustrialisation.

## **Towards a horizontal strategy for a modernised Single Market: A need for an action plan for services**

Market access and ensuring a level-playing field are fundamental to business growth and scaling up. However, cross-border trade and investment in services within the single market continue to lag. The upcoming Single Market Strategy must be ambitious, focus on substantive improvements, and deliver tangible results for companies of all sizes. EU legislation must 1) ensure better harmonisation, standardisation and interoperability of rules, 2) eliminate persisting obstacles to cross-border trade, and 3) upgrade single market governance mechanisms at EU and national levels while focusing on the correct implementation and enforcement of rules, especially in sectors dependent on services.

Eurochambres invites you to consider in your policy debate our most recent [joint business statement](#) calling for a strategy that focuses on removing concrete barriers for businesses with clear roadmaps and timeframes, is comprehensive in scope, and swift in execution.

## **Omnibus simplification packages**

Sustainability policies should be instrumental in achieving climate neutrality goals and, even more importantly, should encourage businesses of all sizes to transition to sustainable and responsible practices. The current ESG framework heavily undermines the capacity of businesses to keep up with the pace and amount of information and data requested, making reporting a compliance exercise.

Poorly designed ESG legislation such as the Corporate Sustainability Due Diligence Directive, the Corporate Sustainability Reporting Directive, and the Taxonomy Regulation have a direct negative impact on core business activities as human and financial resources are diverted to reporting and compliance efforts, rather than invested in increasing productivity levels and in the creation of economic value.

Last month's first omnibus package on sustainability addresses some of the key concerns voiced by the business community over the last few years. Nonetheless, remaining inconsistencies in overlapping and unclear definitions, such as "chain of activities", need to be addressed to guarantee coherence and legal certainty. The simplification proposal must be a turning point for EU legislators, and we strongly encourage the Council to align swiftly with the Commission's objective, without prolonging the "slow agony" of the business community. Chambers therefore welcome the apparent intention of the Council to handle the Commission's proposals under a streamlined procedure and urge the Presidency to facilitate this approach for the first packages and as a positive precedent for subsequent omnibuses in the pipeline.

The EU needs a radical change in the approach to lawmaking and a much stronger commitment to respect the Interinstitutional Agreement on Better Lawmaking. As the regulatory burden on businesses stems from different policy and economic areas, we invite you to consider our [60 proposals](#) to reduce it. The self-inflicted overregulation problem needs to be tackled more resolutely by the Council and member states, avoiding gold plating and the introduction of burdensome requirements via delegated and implementing acts.

Thank you in advance for taking this input into consideration and for steering the discussion in a positive direction for Europe's businesses, competitiveness, and growth.

Yours sincerely,

Vladimír Dlouhý