



Mr Daniel Blockert

Ambassador

Ministry of Foreign Affairs of Sweden

Chair of the EU Council High-level Working
Group on Competitiveness and Growth

15 November 2022

Dear Ambassador,

I would like to thank you once again for your exchange with BusinessEurope's Internal Market Policy Committee earlier this year, touching upon the pressing issues of the Single Market and better regulation, and follow-up on the latter.

Better regulation, reduction of burdens on businesses and assessment of policy impacts on international competitiveness are a matter of extreme urgency in times of the multi-layered crisis we are facing today. "Business-as-usual" in regulation is not an option as it might knock-out significant numbers of businesses, especially SMEs. However, the business community witnesses the fact that the EU continues following this pattern.

The flow of new initiatives from the European Commission with additional regulatory burdens has been a norm and continued over the last few years, ignoring the realities of the crisis and significant impacts on competitiveness. Only a partial offsetting of burdens in regulation under the announced 1in-1out principle is not balancing regulatory costs, especially since its application was only piloted in 2021 and has not brought tangible and convincing results with the full roll-out in 2022 either. All major regulatory initiatives of this Commission were not subject to this principle in the first half of the mandate at all.

The EU Council and the European Parliament have been caught in this "legislative train" that brings more and more cumulative burdens on companies. With tensions constantly building up on companies due to the energy crisis, post-pandemic recovery challenges and additional regulatory burdens coming with the new EU proposals, jobs and competitiveness of the EU are seriously jeopardised. It is counterproductive to the crisis mitigation and economic recovery efforts.

BusinessEurope considers that the EU Competitiveness Council should play a much stronger role in raising such concerns and standing firm in the legislative process to control regulatory burdens and protect the competitiveness of our businesses and their ability to maintain and create jobs. We would expect that the Council does not merely follow the pressures of legislative priorities of the Commission but also has its political assessment of the overall impacts of those priorities on competitiveness in early stages of negotiations. BusinessEurope would encourage the High-level Working Group on Competitiveness and Growth to play the centre-stage role in this regard by establishing a regular assessment in terms of impacts of the Commission's legislative programme on competitiveness, to be discussed by the Competitiveness Council and reported to the European Council.

A recent announcement by President von der Leyen to establish a 'competitiveness check' for all the policy and legislative initiatives is one promising step by the Commission. However, we need joint forces and decisive engagement of the Council to address the accumulated challenges and re-consider the "business-as-usual" approach in the presently negotiated and planned regulation. BusinessEurope believes we urgently need such an action that could support the development of a strategic competitiveness agenda at EU level in broader terms.

We stand ready to discuss these urgent issues further.

Yours sincerely,



Markus J. Beyrer