



Joint statement of the Central and Eastern European Initiative (CEEI): Recommendations for EU 2024-2029

The current 2019 – 2024 EU term has been marked by unforeseen crises. The global COVID-19 pandemic has been joined by the Russian invasion of Ukraine in early 2022. Institutions, businesses, and citizens have been operating in crisis mode for almost four years by now.

These crises have come upon the Europeans at a time when they were adopting far-reaching cross-sectoral policies to achieve the aims of the green and digital twin transition, resulting in significant regulatory burden for European companies. However, the imminent threats of both the epidemic and the war to individuals, to governments, and to the stability of Europe's geopolitical set-up highlighted the need for policy measures to adequately respond to such challenges.

The representatives of **CEEI - six industry federations from Central and Eastern Europe**¹ (Austria, Croatia, Czech Republic, Hungary, Slovakia, Slovenia) - agree upon the necessity of a joint, coordinated action to offset the effects of these unprecedented crises. Our manifesto highlights the most essential points for the upcoming EU legislation on how to successfully tackle current and future challenges in our region:

1. Global competitiveness

The stability and the attractiveness of the business environment within our countries and our region has been deteriorating. This includes high energy prices, probably the biggest single threat to the global competitiveness of EU industry. To attract investments in domestic business and industrial capacities, we call for regulatory certainty, an end to overregulation, and avoidance of frequent amendments to legislation affecting businesses. Any new or revised regulations on both national and EU level should respect the one-in, two-out principle and always be subject to a thorough assessment of their impacts on competitiveness and on the EU's trade policy objectives.

2. Open strategic autonomy

To support the viability of domestic businesses and value chains, we emphasize the need for effective trade defence measures to protect EU investments and ensure a level playing field with third countries, while maintaining our commitment for open market economy. EU trade policy should be assertive and complementary to the aims of its Member States. Regarding free trade agreements, their provisions should aim to diversify suppliers and support mutually beneficial partnerships with third countries, while balancing geopolitical and economic interests. This includes avoiding EU-specific rules that result in trade barriers and alienate key trading partners.

¹ IV (Austria), CEA (Croatia), MGYOSZ (Hungary), NUE/RUZ (Slovakia), SP (Czech Republic), ZDS (Slovenia)



It is crucial to prioritize the negotiation and implementation of trade agreements with key regions such as Chile, Mexico, Mercosur, Australia, India, and ASEAN. Our approach will address contemporary challenges like decarbonization and digitalization, ensuring our trade policies are relevant in a changing global economy. Balancing relations with major economies, particularly the US and China, is also a key focus, aiming to reduce business costs and maintain balanced interactions. Attention should also be paid to issues related to circumvention of sanctions and other distortive practices.

3. Green and digital transition

Our countries individually and the EU as a whole rely on businesses and their value chains to make the green transition happen. Therefore, we call for the implementation of measures to ensure sustainable competitiveness, support growth and prevent de-industrialization. We call upon policymakers in our countries and in the EU to review, after the EU election, the impact of the green transition's pace and scope on the health and competitiveness of EU industry and make any necessary and pragmatic adjustments required to maintain its global competitiveness. We also call on policymakers to ensure access to affordable and sustainable energy for all businesses, to design support schemes for industries in transformation, to streamline permitting procedures in line with the Net Zero Industry Act and beyond, and to support innovative cleantech industries.

It is equally important to implement EU goals on waste management, the circular economy and access to critical raw materials, which are indispensable for the success of our green transition. For the green transition to go hand in hand with the digital transition, it is important to respect technological neutrality, transitional technologies, and investment cycles. Furthermore, in the field of digital technologies, it is crucial to support the wide use of open architecture. In the area of the digital economy and other intensively regulated sectors, we consider it necessary to support legislative breathing space in the interests of transparency and harmonization of the new regulatory environment.

4. Highly and adequately skilled workforce

To guarantee sustainable economic prosperity for both employees and employers, it is critical to tackle labour shortages, to support academic capacity, effective and innovative training, skills-building and re-skilling of our labour force, in line with the needs of our labour markets and the needs of the double transition. The high level of labour taxation in the EU has an additional detrimental effect on employment and on competitiveness. In addition, measures to foster inclusive labour markets for women and migrants should be supported, as well as measures to attract and retain talent. Systematic support for research, development and innovation will be crucial to ensure that our countries and the CEE region keep up with the pace of the double transition.

We, the business federations of Austria, Croatia, Czech Republic, Hungary, Slovakia, and Slovenia, represented in the **Central and Eastern European Initiative**, commit to support the priorities outlined above, as well as to promote the rule of law and to fully respect social dialogue at all levels. We agree to work together towards a sustainable environment for businesses of all sizes, providing quality jobs and economic prosperity. We remain committed to working with national and European policymakers to ensure thriving economies and high quality of life in our respective countries and in Europe.

1 February 2024