



Ms Federica Guidi

Ministro dello Sviluppo Economico
Ministero dello Sviluppo Economico
Via Vittorio Veneto, 33
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Italy

16 September 2014

Dear Minister,

Competitiveness Council meeting on 25-26 September 2014
Competitiveness at the centre of a new EU institutional set-up

Competitiveness must drive the EU policy making for the next five years. It is essential to keep up the momentum and ensure that the EU truly puts competitiveness first. The EU must dare to make courageous choices and refrain from weak and contradictory compromises.

During your informal meeting in Milan on 21 July, you discussed competitiveness mainstreaming. On 25-26 September, the Competitiveness Council must send a strong political signal to make sure that, at the start of the new legislative cycle, an improved governance system is put in place to achieve competitiveness mainstreaming across all EU policies in an ambitious, effective and pragmatic way.

For BUSINESSEUROPE, this means that the following objectives must be enshrined in the conclusions of your meeting:

- an enhanced role of the Competitiveness Council and the High Level Group on Competitiveness and Growth, making sure Ministers will be discussing at an early stage EU initiatives with major impact on regulatory costs and competitiveness;
- a stronger focus on competitiveness proofing and sound impact assessments, looking at cumulative costs and international competition, carried out by an independent impact assessment body and allowing stakeholders to provide comments;
- a clear call on the European Council to endorse the target of increasing industry's share to 20% by 2020, as this is crucial for employment and growth across all sectors of the economy, including services;
- a strong call on the EU to take decisive actions in order to reduce the energy price differential with our main competitors and to make sure that the EU's 2030 energy and climate policy, in particular direct and indirect costs from the Emissions Trading Scheme, does not undermine the 20% industry goal.

The Europe 2020 strategy too must be a key contributor to real competitiveness mainstreaming in all EU policies, monitoring progress based on reports from the European Commission and the Competitiveness Council and reporting to the European Council. Its mid-term review provides the opportunity to refocus this strategy on competitiveness in order to deliver growth and jobs.



The revised Europe 2020 strategy must identify the key policy areas to be mobilised and properly articulate them to ensure the coherence of policy objectives. In order to deliver growth and jobs, it must press forward with the implementation of structural reforms, remove structural impediments to innovation and ensure that existing barriers to the single market are lifted.

The Competitiveness Council must make sure that the EU's cornerstone for growth, its single market, is better leveraged. It adds almost €600 billion a year to our economy and it has helped create almost 3 million new jobs in Europe. It is also the springboard for successfully competing globally.

It is therefore key to remove remaining barriers and further harmonise national rules in limited areas, like data protection, consumer policy, product safety and public procurement. More harmonisation can also be achieved through European standards, replacing diverse national standards, but these should be developed only if there is a strong market demand, and following comprehensive stakeholder consultation and impact assessment.

Moreover, the Competitiveness Council should ensure that Member States mainstream competitiveness at national level too, working towards better implementation, transposition, application and enforcement of existing rules, without necessarily creating new legislation. This would provide stability and legal certainty for companies, which is essential to trigger investment. For example, better implementation of the Services Directive alone can bring additional gains up to 1.8% of EU GDP. Many obstacles still result from incomplete implementation or misinterpretation of existing rules.

The greatest attention will have to be devoted to research and innovation which are also crucial requirements for sustained economic growth in Europe. The EU must act to regain global innovation leadership, scaling-up investments in R&D, removing obstacles to the commercialisation of research results, promoting stronger cooperation between companies and research institutes and injecting an innovation principle into the EU decision-making process.

Finally, the Competitiveness Council must recognise the horizontal dimension of digital, which can drive up productivity and innovation in many "traditional" sectors and benefit society as a whole. Remaining barriers hampering cross-border e-commerce need to be addressed rapidly, from fragmented consumer legislation, such as online divergent guarantee periods, to issues with cross-border payments, delivery and VAT.

BUSINESSEUROPE strongly urges the Competitiveness Council to undertake all these actions that EU policies truly put competitiveness first. You can count on our determination to act as a partner and resolute supporter in this endeavour.

Yours sincerely,



Emma Marcegaglia
President



Markus J. Beyrer
Director General