

Mr. Pierre-Yves Dermagne
Deputy Prime Minister
Minister for the Economy and Labour of Belgium
Chair of the EU Competitiveness Council

Sent by email

21 May 2024

Subject: **Eurochambres contribution to the 23-24 May Competitiveness Council policy debate**

Dear Minister Dermagne,

I am pleased to provide hereby comments on items due to be discussed at the forthcoming Competitiveness Council on Internal Market and Industry that are considered key by Eurochambres, the association of European chambers of commerce and industry.

Conclusions on ‘A Single Market for the benefit of all’

It is crucial for Europe to adopt a new approach focused on political, regulatory, and economic measures that removes long-lasting obstacles to the four freedoms and delivers tangible advantages to all businesses within the single market. Enrico Letta’s high-level report on the future of the single market highlights that excessive bureaucracy and legislation hinder the effective application and enforcement of rules. Prioritising harmonisation of rules and standards, while upholding the principles of mutual recognition, is key to guaranteeing a level-playing field in the EU.

New and effective actions should aim to 1) improve the single market overall as an attractive location for green and digital investment, 2) address investment gaps and reviving the Capital Markets Union plan 3) reduce reporting and data collection requirements for companies, and 4) foster innovation and competitiveness in the areas of free movement of data, research and technology, and digital financial services.

Conclusions on ‘A competitive European industry driving our green, digital and resilient future’

The new legislative term offers the opportunity to safeguard the EU as a manufacturing base and an attractive business location, as well as to address existing supply chain risks in strategic sectors, both domestically and externally.

Public-private partnerships should become an important mechanism to deliver goods and services for the achievement of digital and green objectives. Public authorities should promote favourable conditions for companies willing to invest in all industrial ecosystems, especially for projects with important spill-over effects across member states.

The EU should accelerate financial market integration to provide better and faster access for SMEs to private capital. Harmonisation of national insolvency frameworks and simplified rules in the European securitisation market are important prerequisites to create investment opportunities and allow banks to free up capital. The Important Projects of Common European Interest (IPCEIs) framework allows for the development of large-scale, cross-border and innovative industrial projects in strategic fields. However, the IPCEIs need to integrate SMEs and mid-cap companies in all the new value chains in construction. Eurochambres therefore urges the Commission and member states to simplify the framework to accelerate notifications, improve the efficiency of the procedures,

and ensure greater participation of smaller businesses.

The simplification of application procedures for EU funding opportunities should also be high on the agenda for the next legislative term, building on dissemination channels such as the Enterprise Europe Network (EEN) and the chamber network. Over the next five years term, Eurochambres calls for a flexible cohesion policy and for improving the European funding mechanisms to percolate in all peripheral centres. Entrepreneurs in small economic and social districts decisively contribute to shaping our communities and fostering vibrant local growth and job creation.

Lastly, simplification should contribute to overcoming market barriers and serve as an example to influence international standards by empowering small businesses and entrepreneurs to grow and scale up. The EU boasts better regulation agenda must be upgraded to ensure that legislation is based on high-quality and thorough impact assessments at all stages of the process, delivering on policy objectives without unintended consequences on businesses.

Regulation on combating late payment in commercial transactions

Recent discussions on the appropriate legal instrument to respond more effectively to the harmful culture of late payments highlight the need to ensure flexible payment terms. Eurochambres strongly rejects any limitation of contractual freedom between businesses – regardless of their size or sector – considering it a core element of competitiveness.

Practical realities necessitate flexible terms for both payment and verification periods due to constantly evolving sectors and the complexity of the business environment. We must avoid incurring a heterogeneous framework for small companies operating cross-border and subject to differing rules and payment periods. Eurochambres therefore calls on the co-legislators to reinstate contractual freedom between businesses and to consider the better enforcement of the current rules as the solution to develop a culture of prompt payments.

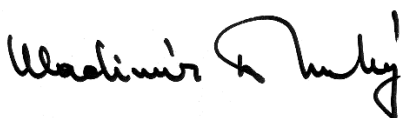
Package for the reduction of the administrative burden by 25%

Europe's regulatory regime should provide predictability and stability for businesses, administrative requirements must be proportionate, and reporting requirements streamlined and intuitive. Despite Commission President von der Leyen's pledge in March 2023 to reduce reporting requirements by 25%, European businesses have perceived no change and continue to grapple with redundant administrative burden.

Eurochambres calls for a much more ambitious simplification programme for European business. The new legislature should swiftly create an inventory of existing reporting obligations to make the 25% goal tangible, while enabling a reduction of double reporting requirements.

Thank you in advance for considering this input and for sharing our ideas with the ministers during the discussions.

Yours sincerely,



Vladimír Dlouhý, President