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NOTE

From:	Presidency
To:	The High Level Working Group on Competitiveness and Growth
Subject:	Competitiveness mainstreaming
	- Competitiveness check-up including the Competitivenss Scoreboard

Delegations will find in Annex a Note by the Presidency in view of the meeting of the High Level Working Group on Competitiveness and Growth on 8 February 2016 on the development of the competitiveness check-up scoreboard.

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HLG paper

Development of the competitiveness check-up scoreboard

The Competitiveness Council was given a broad mandate by the March 2003 European Council to "(...) actively assume its horizontal role of enhancing competitiveness and growth (...), reviewing on a regular basis both horizontal and sectoral issues."

The Luxembourg Presidency took several steps to follow up on this mandate. One of the main new working methods introduced by the Luxembourg Presidency was the 'competitiveness check-up', consisting of a presentation by the Commission and a debate by Ministers on key indicators regarding competitiveness and market integration. The aim was to help the Competitiveness Council to react in a timely manner to important issues concerning the real economy and to have a substantive and fruitful discussion at ministerial level on policy challenges for Europe's competitiveness. The Netherlands Presidency wants to continue on this path and further improve the 'competitiveness check-up' as suggested by the Luxembourg Presidency in its paper of 16 November¹. The discussion between Ministers needs to remain as open and spontaneous as possible; nevertheless, more structured and thorough preparation for the discussion could help Ministers to comprehend better the underlying analysis. This is essential to focus the discussion as much as possible on the policy challenges and options.

An important element of these preparations could be a competitiveness scoreboard. Austria has made valuable suggestions to that end in a non-paper on indicators for a competitiveness scoreboard as presented in the Competitiveness Council of 30 November. A broad and non-exhaustive list of indicators was proposed and consequently, the development of such a scoreboard was included in the work programme of the HLG. A scoreboard would provide for an objective and robust monitoring of the European competitiveness and foundation for discussion. As is stated in the Austrian non-paper, the scoreboard should be consistent with existing initiatives such as the European Competitiveness Report, the Innovation Union Scoreboard, the Macroeconomic Imbalance Procedure and in particular, the current work of the Commission on competitiveness indicators. Indicators used in the competitiveness scoreboard could build on the indicators used in these tools.

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¹ Doc. 13989/15

Additionally, to keep the discussion focused on specific policy challenges, a thematic approach is necessary. This thematic approach requires that the scoreboard is accompanied by a more thematic (quantitative and qualitative) analysis by the Commission.

The HLG of 8 February aims to deliberate on the competitiveness scoreboard and the development of the check-up. To this end Austria will present its ideas as reflected in its non-paper. The Commission will also elaborate on their work on competitiveness indicators. The outcome of the debate could be used to prepare the debate on the competitiveness check-up by Ministers in the Competitiveness Council of 29 February and could already be used by the Commission to prepare the check-up presented in this Council.

Discussion topics for the HLG

HLG members are asked to respond to the following questions for discussion.

Questions for the HLG:

- i) How could the development of a competitiveness scoreboard help the Competitiveness

 Council to have fruitful discussions in the context of the competitiveness check-up? How

 can we exploit synergies with other work streams in the development of indicators, such as
 the current work of the Commission on competitiveness indicators? What principles should
 we address when developing such indicators? How could the HLG support the Council in
 having a more focussed discussion (e.g. through a thematic approach)?
- ii) How could spontaneous and interactive Council discussions be facilitated while helping delegations to prepare for discussion? How could a preparatory note by the Commission for the HLG improve the quality of the discussion in the Council?

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