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#### NOTE

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From:	General Secretariat of the Council
To:	Delegations
Subject:	Priorities for the new Commission in the Single Market <i>- Information from Austria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, Germany, Ireland, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia and Sweden</i>

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Delegations will find attached a note from the delegations of Austria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, Germany, Ireland, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia and Sweden distributed for the meeting of the Competitiveness Council on 26 September 2024, in the context of the AOB on the priorities for the new Commission in the Single Market.

**Non-paper of Austria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, Germany, Ireland, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia and Sweden on priorities for the new Commission in the Single Market**

The European Union is entering a new institutional cycle in the context of unprecedented global challenges, which highlights the need to strengthen its global competitiveness. Improving the conditions for doing business within the EU needs to be the top priority for the new Commission.

**Our fundamental competitive advantage - the Single Market - therefore has to be at the centre of our ideas and actions on competitiveness.**

The recently published reports by Enrico Letta and by Mario Draghi have created a strong momentum to further untap the Single Market's full potential. It is now necessary to identify concrete areas for further work. This should materialise in the new horizontal Single Market Strategy which the Commission should publish by June 2025, as called for by the European Council and the Competitiveness Council. The aim of this paper is therefore to **provide input** to this process, which will be of key importance for relaunching the Single Market.

**The Single Market Strategy should set out concrete short-term and medium-term actions to facilitate cross-border trade.** The Commission and the Competitiveness Council should play central roles in the governance of this process. More specifically, the Single Market Strategy should **be articulated around the core of the Single Market namely the freedom of movement, especially** in the areas of goods and services, where there is still significant fragmentation and divergence between national rules. We expect that the Single Market Strategy will include a dedicated roadmap for services with timelines and milestones for urgent and concrete actions. Generally, priority should be given to the simplification and further harmonisation of EU rules as well as, where feasible, the application of the principle of mutual recognition. Targeted action here will remove obstacles to cross-border activities. We must also focus on uniform application and **robust enforcement** of EU rules, as well as ensure equal access to the Single Market through improved connectivity. Thus, we will create conditions for European businesses to scale up and compete on international markets, whilst also bolstering our resilience.

Upholding these principles will help to remove fragmentation and regulatory complexity for businesses, reduce compliance costs and thereby increase competitiveness and will help the EU reach its ambitious goals.

Beyond such simplification of regulatory complexity, with **the administrative burden** being among the top obstacles faced by businesses when operating in the Single Market, the **new Commission should simplify the conditions for doing business and continue to cut red tape** mainly through simplification and digitalisation of procedures, including the increased use of data, going beyond the announced 25% reduction of reporting requirements.

Digitalisation will inevitably play a significant part as an enabler of the free movement. The Strategy should therefore **refer to specific digital tools** to assist businesses in making it easier for them to operate in the Single Market, while at the same time focusing on improving existing tools and finding new synergies.

To improve the Single Market, we should focus on **quality, consistency and implementation**, rather than on the quantity of rules. The EU must provide an **enabling and transparent regulatory environment**, which is a key prerequisite for a proper functioning of the Single Market. Member States and especially the Commission should therefore use all the tools at their disposal, both formal and informal, to ensure that the Single Market rules are simple, predictable, unified and diligently enforced. Such a framework is the key enabler for reaching our ambitious climate, convergence and social goals.

We, the signatories of this paper, call upon the Commission to take the abovementioned principles into consideration when identifying new priorities and preparing the concrete and ambitious Single Market Strategy. We also stand ready to deepen the discussion based on elements above and actively participate in the consultation of the Strategy.

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