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NOTE

From:	Trio Presidency
To:	High Level Working Group on Competitiveness and Growth
Subject:	Draft Work Programme of the High-Level Working Group on Competitiveness and Growth for July 2020 - December 2021 and Explanatory Note to it

At the HLG meeting on 8 June 2020, the HLG Trio (DE, PT, SI) presented the priorities of their draft work programme with the title “Forward-looking Single Market, industry and SMEs for a competitive, sustainable and resilient Europe”. Following their initial presentation, the draft work programme was sent to delegations for comments. The HLG delegates subsequently gave constructive feedback which was used to further develop the work programme. While priorities and core elements have remained unchanged, few adjustments have been made and the more detailed comments will be considered throughout the Trio presidency.

The Member States are invited to express their views on the updated draft work programme. Following the discussion at the HLG meeting on 10 September, COREPER will be invited to approve the HLG work programme for the period from July 2020 to December 2021.

The work of the HLG will be embedded in the first half of the legislative cycle and will be influenced heavily by dealing with the uncertainty connected to the Covid-19 crisis. At the same time, the Trio seeks to follow up on the March package with the communications on the Single Market, the EU Industrial and SME strategies, and the Circular Economy Action Plan. This will give the HLG the opportunity to have both strategic debates with a long-term perspective and concrete on-the-ground operational discussions. The Trio also seeks to reinforce the HLG's role in monitoring competitiveness. All delegations are encouraged to engage in open, constructive and interactive exchanges. The goal is that the HLG contributes to mainstreaming and strategically orientating economic policy, gives an input to both the COMPET Council and the European Commission, and helps forwarding the EU's competitiveness agenda.

The Trio Presidency highlights overall six priorities in three thematic pillars, which are Single Market, Industry and SMEs. While the priorities are laid out in the work programme, the HLG will retain sufficient flexibility to adapt to emerging situations and priorities and relevant issues.

In the Single Market pillar, we seek to work on strengthening the Single Market, by both fully restoring it in the short term and further improving it with a long-term agenda. We also seek to contribute to fair competition and external competitiveness taking into account current priorities such as digitization and recovery. Furthermore, we seek to promote Better Regulation and burden reduction in order to achieve an efficient, future proof and innovation friendly regulatory framework that provides our businesses the best conditions to unleash their full potential and our citizens tangible benefits.

In the Industry Pillar, we seek to discuss how to strengthen the industrial basis that is an enabler and engine for growth, innovation, jobs, and Europe's future competitiveness and wealth. We would like to focus on the further development of the European industrial strategy so that industry can successfully achieve a digital, green and resilient post-COVID-19 recovery and future-oriented transition. We also seek to discuss the important role of the digital and data economy for our industry and how to set the framework right, e.g. regarding digital sovereignty.

In the SME pillar, we seek to emphasise the role of SMEs for jobs, innovation and growth. Recovery aspects will play a special role in our SME discussions. SMEs are not only hit hard by the crisis, but have also proven to react in a very flexible manner and thus play a central role to economic recovery. The SME strategy will be the starting point to evaluate the right measures for SMEs in a comprehensive approach that aims at fostering SMEs' resilience and economic prowess.

HIGH LEVEL WORKING GROUP ON COMPETITIVENESS AND GROWTH: DE-PT-SI WORK PROGRAMME

JULY 2020 – DECEMBER 2021

Programme overview:

“Forward-looking Single Market, industry and SMEs for a competitive, sustainable and resilient Europe”

	Priority	Germany (2nd half 2020)	Portugal (1st half 2021)	Slovenia (2nd half 2021)
Pillar I: Single Market	Strengthening the Single Market	Contribute to strengthening the Single Market: Follow-up on Council conclusions and discussion on the Recovery Plan	Contribute to strengthening the Single Market, also with regard to the implementation of the Recovery Plan	Contribute to the discussions on resilience of the Single Market Continue and deepen the discussion on better implementation and enforcement of legislation, including monitoring barriers in the Single Market
	Fair competition and external dimension of competitiveness	Discussion on the modernisation of state aid policy	Contribute to the discussion on fair competition framework, including the external dimension of competitiveness, in an economic recovery and investment context	Follow-up the discussion on effective, open and fair competition framework from the digital economy perspective
	Better regulation and burden reduction	Better regulation and burden reduction with focus on supporting the economic recovery and building up resilience	Pursuing better regulation and burden reduction in the economic recovery context, including quality of Regulatory Impact Assessment	Better regulation with focus on a follow up of the functioning of new innovative mechanisms of better regulation

	Priority	Germany (2nd half 2020)	Portugal (1st half 2021)	Slovenia (2nd half 2021)
Pillar II: Industry	Strengthening Europe's industrial basis	Industry as the engine for a green and digital transformation and resilient economic recovery – discussion on monitoring of industrial competitiveness Investment for recovery and strategic autonomy: strengthening ecosystems and key technologies (possibly including case study and the role of IPCEI)	Monitoring the EU Industrial Strategy implementation in specific ecosystems and sectors (incl. servification), adapted to the double transition (green and digital).	Follow-up of the monitoring exercise of the EU Industrial Strategy including industry aspects of the Recovery Plan implementation Presentation on the application of EU Circular Economy Action Plan for specific sectors
	Digital and Data economy	Discussion on Industry 4.0 and the establishment of a digital infrastructure that enhances digital sovereignty in the EU	Follow-up on the strategy “Shaping Europe’s Digital Future” including circular economy of data, skills, ethics and public sector practices. Discussion on competitiveness impact of the Digital Services Act	Artificial Intelligence: application in industry/SMEs
Pillar III: SMEs	SMEs for jobs, innovation and growth	Discussion on the future of SME policy, with referral to economic recovery and the SME Strategy; poss. special focus on services and microenterprises	SME definition, scaling up innovative SMEs and fostering technology transfer. Discussion about revitalizing the tourism sector emphasizing sustainability, in the economic recovery context	Discussion on the implementation of the SME Strategy including monitoring the implementation of recovery measures for SMEs