Council of the European Union

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'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 1)
Subject:	Work Programme of the Working Party on Competitiveness and Growth (High Level) - Approval

1. On 31 October 2014, the Permanent Representatives Committee approved the establishment of a High-Level Working Group on Competitiveness and Growth (HLG) with the mandate to "*monitor the state of Single Market integration and discuss the policy priorities set out in the relevant documents, including within the European Semester*" and "*support the Council in its reinforced role of monitoring and mainstreaming competitiveness, in particular industrial competitiveness*"[1]. The Committee agreed on arrangements concerning the membership of the HLG, the appointment of its chair and its work programme. In particular relating to the work programme, the Committee agreed that "*in order to align the COMPCRO HLG's agenda with the Trio Presidency Programme of the Council, the High Level Working Group will have a work programme, with a duration corresponding to the 18-month Trio Programme, taking into account the Commission's work programme, and which will be submitted for consideration and approval to the COREPER*".

[1] Doc 15006/14.

2. According to the above agreement, the current Trio Presidency Ireland, Lithuania and Greece appointed the chair and vice-chairs of the group and prepared a work programme for the period from July 2026 to December 2027, which was sent to the Member States for comments.

3. At the meeting of the HLG on 7 September 2026, the Member States expressed broad support for the above work programme. Following the short exchange of views, the work programme was deemed endorsed and is now submitted to Committee for consideration and approval.

4. The Permanent Representatives Committee (Part 1) is invited to consider the work programme of the COMPCRO HLG for the period from July 2026 to December 2027, as set out in the Annex, and approve it.

ANNEX

Work Programme of the IE-LT-EL Trio
for the Working Party on Competitiveness and Growth (High Level)

Towards a Stronger Single Market – and a Competitive,
Resilient and Sustainable Europe for All

I. INTRODUCTION

The IE-LT-EL Trio Presidency begins at a pivotal moment for the European Union. Two years have passed since the publication of the Letta and Draghi reports – two landmark reflections that challenged Europe to rethink its competitiveness and resilience. Since 2024, the global context has dramatically shifted: We are experiencing ever-increasing geopolitical instability, a continued shift away from the international rules-based order and growth in protectionist policies – leading to a deterioration in international relations. Europe faces wars on its borders, weaponisation of international supply chains and persistent vulnerabilities in essential industrial inputs, including critical raw materials. There is an intensifying race for technology including artificial intelligence (AI), and, more recently, a new global energy paradigm.

This confluence of negative factors has made the balance between competitiveness and resilience more critical than ever. In the months preceding the start of the Trio Presidency, geopolitical instability has deepened significantly. This volatility threatens to undermine European competitiveness and growth: it is against this backdrop that the IE-LT-EL Trio Presidency proposes this HLG Programme for the coming 18 months.

The Programme aims to contribute to greater economic competitiveness via three priorities which are mutually reinforcing to the benefit of all EU citizens and enterprises:

- **Priority 1 – Deepening the Single Market for All:** A more integrated Single Market with a strong focus on small and medium-sized enterprises (SMEs) can be the foundation of prosperity. The Programme will aim to prioritise SMEs, including those in more traditional sectors, as well as those operating in, or transitioning into, emerging sectors and supply chains. A more seamless Single Market will deliver competitiveness for all European enterprises – and tangible improvements for consumers, consistent with the EU's 2030 Consumer Agenda.

- **Priority 2 – Innovation and Technology Leadership:** Innovation – in policymaking and technology – can be a catalyst for renewed European strength. Through evidence-based discussion, the HLG will aim to discuss best practice on creating the conditions for businesses to adapt and grow throughout the EU: to mobilise resources, accelerate industrial innovation, and deploy and scale-up strategic technologies.

- **Priority 3 – Resilient and Sustainable Industry:** A more secure, resilient and sustainable Europe is essential to sustain competitiveness. Strengthening industrial capacity across the EU, including by addressing challenges faced by energy-intensive industries, enhancing the resilience of defence and security-relevant supply chains, and advancing decarbonisation will be essential to ensure the Single Market supports Europe's wider strategic interests. This includes reinforcing our ability to respond to emerging security challenges. By acting together, these efforts can foster European innovation, investment and industrial capacity.

Across all three Trio priorities, the HLG will promote proportionate, evidence-based policymaking and targeted simplification to support a more predictable and coherent regulatory cycle. It also aims to align with recent milestones for competitiveness and the Single Market, including: the Letta Report – "Much more than a Market" (April 2024); the Commission Priorities 2024–2029 (July 2024); the Draghi Report – "The future of European competitiveness" (September 2024); the Competitiveness Compass (January 2025); the communication on "A Simpler, Faster Europe" (February 2025); the Single Market Strategy (May 2025); the Commission Work Programme 2026 (October 2025); and the European Council conclusions (March 2026) launching a "One Europe, One Market"[2] agenda in support of a more competitive, resilient, secure and prosperous European economy, to be implemented in 2026 where possible and by the end of 2027 at the latest.

[2] Leading to the joint adoption of the One Europe One Market Roadmap.

These milestones are not abstract, and the pattern is consistent: In her letter to EU Leaders ahead of the February 2026 Leaders' Retreat, and subsequent March 2026 European Council, Commission President von der Leyen highlighted that the ten simplification omnibus packages already proposed are expected to deliver around €15 billion in annual administrative savings. The letter also signalled likely further measures – e.g. additional omnibuses, further digitalisation to support simplification and harmonisation, streamlined permitting procedures, and a wider drive to reduce red tape – to ensure EU rules become faster, simpler and easier for businesses, including SMEs, to navigate.

The IE-LT-EL Trio also notes the strong work, professionalism, and collaborative spirit of the preceding PL-DK-CY Trio. We aim, where feasible via our three priorities, to maintain their work and momentum on crucial topics.

II. OPERATING CONTEXT AND AIMS

The IE-LT-EL Trio Presidency operates within a shared framework that reflects the evolving role of the HLG and its preparatory function for the Competitiveness Council (Internal market and Industry). This framework ensures continuity in addressing industrial competitiveness, the Single Market, and related priorities, while providing strategic signals to inform EU policymaking.

The Council has reinforced this agenda through a series of debates by Ministers in 2025 and 2026 which shape the IE-LT-EL Trio's starting point. These reflect a clear and consistent message from Ministers: Europe's competitiveness challenge manifests in high and uneven energy costs, fragmented rules, slow and complex permitting, and administrative burdens that fall sharply on SMEs.

Delegations have stressed the need for a more stable and coherent regulatory cycle, better enforcement of existing Single Market rules and the four freedoms, and accelerated progress on relevant EU initiatives and instruments, including governance arrangements that encourage more effective mobilisation of complementary private investment. They have also reiterated the persistent vulnerabilities in critical raw materials and supply chains, and the need to reduce duplication and red tape through targeted simplification and digital tools. These discussions underline the importance of practical, implementable solutions and set the operational and political context for the aims that follow.

Within this context, the HLG will support and advance the IE-LT-EL Trio Presidency and the Competitiveness Council (Internal market and Industry) via the following five aims:

- **Signal Member State priorities and practical needs to the Commission**, with particular emphasis on: conditions required for SMEs to scale, where possible, and participate effectively in value chains across the Single Market; and on the advancement of the free movement of services.

- **Provide a forum for Member States to share experiences**, align positions and identify common solutions, ensuring a coherent approach to competitiveness and deepening the Single Market.

- **Offer strategic advice to the Council** on competitiveness, growth, industry needs and Single Market priorities in preparation for ministerial debates.

- **Promote coherence across Council formations** by engaging with other high-level groups to address cross-cutting challenges and avoid siloed approaches.

- **Ground policy development based on economic realities** by consulting innovative EU companies, and business and consumer associations, to reflect the needs of companies and consumers.

III. TRIO PROGRAMME PRIORITIES

Priority 1 – Deepening the Single Market for All

The Single Market remains Europe's most significant asset for competitiveness, yet persistent fragmentation continues to limit its potential.

The benefits of the Single Market must be visible and accessible to all citizens and businesses across the EU. Ensuring a level playing field, supporting more seamless cross-border movement of goods, services and people, and preserving an open economy are all central to Europe's resilience and prosperity. Making full use of digital tools to support simplification – to enhance competitiveness, compliance and trade across the EU – will be key to delivering these benefits, particularly for SMEs. This includes integration of the digital services market and interoperable public services.

The Trio will seek to elevate the importance and employment contribution of, and considerable challenges faced by, SMEs within our European economy. This includes those operating in more traditional sectors such as tourism, retail, crafts and agrifood, and those operating in, or pivoting into, emerging sectors and supply chains via the use of digital, AI and security-relevant technologies.

Via the HLG's advisory role in signalling Member State priorities and practical needs to the Commission, this priority reflects the shared commitment to address persistent barriers, support implementation of relevant EU policy, contribute to work on simplification and digitalisation, and alleviate disproportionate effects on SMEs' day-to-day operations and ability to scale and innovate.

SMEs continue to face limited and uneven access to finance, due in part to fragmented European capital markets. Targeted measures are needed, with due consideration of Member State specificities. Deep and liquid equity investment funds and an improved supply of venture capital are also required, to ensure SMEs can access the investment finance needed to scale in Europe.

A clearer understanding of the relative commercial attractiveness of investing in European SMEs – compared to larger firms, other asset classes, or investment opportunities in different jurisdictions – should inform efforts to strengthen European competitiveness.

A more consumer- and product-focused Single Market requires stronger trust in the safety, transparency and reliability of goods entering the market and circulating across borders, particularly as digitalisation reshapes how products are bought, used and repaired. Better access to clear, consistent product information can help consumers make informed choices. It can also reduce burdens on businesses that trade across multiple Member States, while contributing to consumer protection measures. Addressing unfair commercial practices and ensuring a level playing field will contribute to a more functional Single Market and increase consumer confidence.

Digitalisation, e.g. via the Digital Product Passport, can enable product compliance, market surveillance and consumer protection. Strengthening this ecosystem would improve outcomes for consumers and support fair competition, consistent enforcement and smoother cross-border commerce, including e-commerce. A review of existing frameworks and enforcement activities, with a view to improving compliance processes and ensuring more coordinated enforcement where required, would help reduce costs and uncertainty for businesses, and give them greater confidence to scale innovative products across the EU.

Separately, public procurement is increasingly recognised as a lever for improving the functioning of the Single Market. Coherent and straightforward rules can help authorities obtain better value, widen access for SMEs, and leverage Europe's collective purchasing power.

Work Plan

HLG will seek to facilitate dialogue, advance thought leadership, and prepare input for the Council on:

- **Implementation of the Single Market Strategy, the European Council's "One Europe, One Market" agenda, and related initiatives**, with an emphasis on removing identified barriers in goods and services.

- **Strengthening SME access to private financing,** with targeted measures tailored to address the specific needs of enterprises, and by tackling: supply-side weaknesses in Europe's capital markets, especially in venture capital supply; simplifying EU investment instruments; and improving conditions that channel longer-term equity and risk capital to scaling firms.

- **Initiatives to reduce fragmentation and simplify cross-border business operations.**

- **The Commission's simplification and digitalisation agenda**, to promote systemic administrative and regulatory burden reduction while maintaining policy goals and relevant standards, to streamline administrative procedures and ensure more predictable Single Market, particularly for SMEs; and to promote SME-friendly rules, digital-by-default implementation, and standardisation and automation of administrative processes.

- **Supporting the role of the co-legislators in upholding the better regulation principles** including the greater use of impact assessments and taking forward relevant recommendations from the Commission.

- **Initiatives relevant to public procurement, to signal Member State priorities** on simplification, improved SME access, more consistent procedures and reduced compliance costs.

- **Deployment of digital tools to support compliance, e-commerce, permitting and other opportunities**, building on relevant recent Commission initiatives – with particular emphasis on relevance and utility for SMEs and more traditional sectors.

Priority 2 – Innovation and Technology Leadership

The ability to lead in strategic technologies is essential for Europe's competitiveness and resilience. This priority reflects the shared commitment to strengthen conditions for research, innovation and investment, ensuring broad participation in the innovation ecosystem across the EU in order to secure positive spill-over effects of innovation across the Single Market. The Draghi Report highlighted the scale of Europe's investment challenge, calling for mobilisation of resources to secure leadership in critical technologies, including semiconductors, AI and clean technologies. The Competitiveness Compass reinforced this message by introducing indicators to track progress, providing a basis for evidence-based policy discussions.

Competitiveness depends not only on sectoral measures, but also on cross-cutting and general framework conditions that enable businesses to adapt and grow, e.g. on skills development for new and existing sectors, which requires coordinated attention across Council formations.

Work Plan

HLG will seek to facilitate dialogue, advance thought leadership, and prepare input for the Council on:

- **Building consensus on Commission initiatives and instruments related to EU industrial strategy and innovation**, focusing on practical steps to accelerate public and private investment.

- **Promoting regulatory coherence for proposed instruments**, ensuring competitiveness considerations are integrated into implementation.

- **Creating regulatory space for European innovations, e.g. via regulatory sandboxes,** to foster the growth of new and emerging technologies, and knowledge transfer between research institutions and industry.

- **Industry-focused innovation pathways for strategic sectors, e.g. semiconductors, AI, broader digital economy including cloud computing, clean technologies, automotive, biotechnology, agrifood, tourism, defence** and other priority sectors.

- **Ensuring innovation pathways support scaling**, enabling SMEs to grow across borders and integrate into European value chains.

- **Engagement with innovative companies and other relevant stakeholders to identify barriers to technology deployment** and share best practices for overcoming them.

- **Skills development, promotion of their portability, and talent attraction, to align with industry needs**, including decarbonisation and the digital transition.

Priority 3 – Resilient and Sustainable Industry

Europe's industrial base must navigate a more volatile geopolitical environment, marked by heightened security risks and accelerating technological rivalry. It must advance on decarbonisation and strengthen energy independence to cushion firms and consumers against current and future price shocks. Our industrial base must make progress on reducing strategic dependencies and improving diversification. Embedding security, resilience and sustainability in industrial policy – while preserving an open, rules-based EU economy – is essential for maintaining competitiveness. The current geopolitical context has exposed various risks and vulnerabilities that require a commensurate policy response. This does not mean departing from the principles that have underpinned the EU's economic success: new industrial policy measures should respect the EU's international commitments and remain targeted, proportionate and predictable to the extent possible, complementing competitiveness, innovation, openness, and the integrity of the Single Market.

Decarbonisation and competitiveness are too often framed as being in conflict: Decarbonisation imperatives can and should complement industrial competitiveness and work with industry to support the decarbonisation agenda. Established and new EU initiatives and instruments provide the framework for this transition, but implementation requires coordination and coherence across Member States.

When implementing and iterating EU initiatives and instruments which correspond to this priority, a greater focus on SME accessibility and participation is also required.

Work Plan

HLG will seek to facilitate dialogue, advance thought leadership, and prepare input for the Council on:

- **Implementation of relevant EU industrial and decarbonisation initiatives and instruments**, to align competitiveness and energy security with clean energy opportunities and promote good design of EU instruments to leverage maximum public investment.

- **Strengthening Europe's industrial resilience and security**, to underpin competitiveness, reinforce the EU defence industry, and achieve a balance between openness and security.

- **Diversification of supply chains and promotion of partnerships for critical raw materials** required for the development of Europe's industrial base.

- **Circular economy best practice**, to foster sustainability, strengthen supply chains, reduce critical vulnerabilities and pursue wider environmental objectives.

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