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NOTE

From: Trio Presidency

To: Working Party on Competitiveness and Growth (High Level)

Subject: Note from the Chair: High Level Report on the Future of the Internal Market

Delegations will find in Annex a Trio Presidency paper on “High Level Report on the Future of the Internal Market”, in view of the discussion at the working lunch of the Working Party on Competitiveness and Growth (High Level) on 16 November 2023.

Note from the Chair: High-Level Report on the Future of the Single Market

The 30th anniversary of the Single Market is the occasion to renew our commitment to the deepening of the fundamental freedoms of the Treaty – beyond the preservation of the status quo. In the face of multiple crises and with a view to achieving the Union’s ambitious long-term goals, a fully functioning Single Market can act as an effective shield to weather internal and external shocks. Our commitment to unity and solidarity also means ensuring equal opportunities for all and that no one is left behind, investing in skills, and creating more and better jobs. A well-functioning Single Market is fundamental and conducive to Europe’s social cohesion, green transition, digital transformation and inclusive prosperity.

In the field of European integration however, the low-hanging fruits were picked years ago. Although all member states are convinced of the importance of the Single Market, it has proved difficult to make further progress over the past 10 years. Moreover, the Single Market must adapt to a geopolitical context in which tensions are increasing. Crises seem to follow in rapid succession. The Covid crisis and Russia's war against Ukraine have completely different causes, but both exposed the strengths and weaknesses of the Single Market. Several global players are disrupting the market in their quest for technological leadership. They do not hesitate to exploit European vulnerabilities in strategic autonomy, which leads to increased economic security risks.

The EU faces the important challenge of meeting geopolitical objectives without giving up the freedoms of its Single Market and losing sight of its ambitions in the field of greening and digital transition. To shape this fundamental exercise the European Council, at its summit in June 2023, called for an independent High-Level Report on the future of the Single Market to be presented at its meeting in March 2024 and invited the incoming presidencies of the Council and the Commission to take this work forward, in consultation with the Member States. Former Italian Prime Minister Letta accepted the task of writing this High-Level Report and is broadly consulting stakeholders and authorities.

The Working Party on Competitiveness and Growth (High Level) is honoured to welcome Mister Letta to its meeting on 16 November. This offers the opportunity to Mister Letta to invite HLG members to provide input and for HLG members to communicate their key views. In order to allow HLG members to provide a comprehensive contribution, the chair will also launch an additional written procedure with more detailed questions after the meeting.

Questions for debate:

What are the biggest shortcomings in the current functioning of the Single Market? In which areas is the Single Market still insufficiently developed? Please give specific examples.

How can the freedoms of the Single Market be guaranteed in the pursuit of open strategic autonomy? Please give specific examples.
