

Brussels, 21 November 2025
(OR. en)

15650/25

COMPET 1203
MI 929

NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: *Preparation of the Council (Competitiveness (Internal Market, Industry, Research and Space)) on 8 December 2025*
Removal of Internal Market barriers
- *Exchange of views*

Delegations will find attached a Presidency note on "Removal on Internal Market barriers" with a view to exchange of views at the Competitiveness Council on 8 December 2025.

DISCUSSION PAPER

Meeting of the Competitiveness Council

Brussels, 8 December 2025

Removal on Internal Market barriers

Single Market Strategy: Joint ownership on removing barriers in the Single Market on the path to fully complete the Single Market

The Single Market is Europe’s home market – a powerful catalyst for growth, prosperity and solidarity. It remains one of the European Union’s most significant achievements, delivering growth, stability, and economic integration. It is the main driver of our European competitiveness¹. Yet more than three decades after its creation, the Single Market has not yet reached its full potential.

For the last two decades intra-EU trade and integration of the Single Market has slowed down². According to an IMF analysis, existing barriers within the EU are equivalent to a 110% tariff on services and a 44% tariff on goods. Due to shifting geopolitical realities and increasing international competition, it is more urgent than ever to deliver a functional Single Market that empowers our 450 million citizens and 26 million companies to innovate, scale up and thrive.

¹ European Commission, Single Market Strategy, 21 May 2025.

² European Commission, The 2025 Annual Single Market and Competitiveness Report, 29 January 2025.

In May, the European Commission presented its Single Market Strategy, setting the course for finalising and strengthening the Single Market. In the strategy, the Commission calls for an annual SMET High-level meeting at ministerial level to address barriers and solutions³, which this Council meeting is delivering on. In the strategy, the Commission also takes on a new approach to removing barriers, listing the most persistent and harmful barriers in the Single Market; also known as the *Terrible Ten*. The Commission has worked on breaking down the *Terrible Ten* into a *Heatmap*, providing more detailed data on the issues behind the specific barriers.

In parallel, President von der Leyen announced in her State of the Union speech on 10 September a new *Single Market Roadmap to 2028*, focusing on key areas such as capital, services, energy, telecoms, the 28th regime, and a fifth freedom for knowledge and innovation⁴.

The path forward

Effectively addressing these longstanding barriers requires renewed, collective political commitment and the adoption of effective tools. The Commission's heatmap is a visual mapping of barriers in Member States. While still being finalized, this tool is a new and commendable approach that provides a valuable basis for targeted action in light of two decades of stagnation in the development of the Single Market⁵. The purpose of the heatmap is not to single out Member States but rather to provide an initial indication on which barriers are more prevalent and urgently need to be addressed.

The Commission has now presented their suggestion on how we create new momentum and move the work forward. Real impact will require renewed commitment from both Member States and the Commission, a shared agenda, and structured, results-oriented follow-up. One way to do it, is for the Competitiveness Council to set concrete yearly targets – e.g. by removing one or two specific barriers from the *Heatmap* – and have an annual follow up in the Competitiveness Council. This will create a structured and systematic follow-up and real commitment.

³ European Commission, Single Market Strategy, 21 May 2025.

⁴ State of the Union Address by President von der Leyen, 10 September 2025.

⁵ European Commission, The 2025 Annual Single Market and Competitiveness Report, 29 January 2025.

There is an urgent need to show political commitment and results for our businesses. The Presidency therefore suggests that the Competitiveness Council concentrates on selected barriers and deliver real change on those. The Presidency suggests focusing on the following three *Terrible Ten* barriers. These three are prominent examples of barriers that a) limit cross-border trade in the Single Market, b) are prevalent across most Member States, and c) require renewed shared commitment⁶.

- Barrier three on complicated business establishment and operations
- Barrier six on fragmented rules on packaging, labelling and waste
- Barrier eight on restrictive and diverging national services regulation

Real impact will require joint ownership, clear prioritization and a shared political ambition. The goal is clear: if we are to meet President von der Leyen's target of a fully completed Single Market by 2028, we need to get started now. We cannot afford to waste time discussing methodology. Time is truly of the essence. That is why the Presidency urges the ministers at this Competitiveness Council to show their commitment to removing the Single Market's remaining barriers.

Against this background, the Presidency encourages Member States to reflect on the following questions:

1. How could an annual follow up on the Heatmap in the Competitiveness Council drive the change needed to remove barriers in the Single Market?
2. How can we create joint ownership and accountability between Member States and the Commission in removing Single Market barriers, and what tools would be most effective in driving real change?

⁶ European Commission, Single Market Strategy, 21 May 2025.