



Council of the
European Union

Brussels, 17 January 2022
(OR. en)

5377/22

COMPET 27
IND 8
MI 36

NOTE

From: Trio Presidency
To: Working Party on COMPETITIVENESS and GROWTH (High Level)
Subject: Vision for a long-term strategy on sustainable growth and competitiveness
Work programme for the trio Presidency for the Working Party on
Competitiveness and Growth (High Level), January 2022 - June 2023

Delegations will find in Annex the Work programme for the trio Presidency for the Working Party on Competitiveness and Growth (High Level), January 2022 - June 2023, in view of the meeting of the members of the Working Party on Competitiveness and Growth (High Level) on 3 February 2022.

Vision for a long-term strategy on sustainable growth and competitiveness**Work programme for the trio Presidency for the Working Party on Competitiveness and Growth (High Level), January 2022 - June 2023**

The upcoming Trio Presidency (FR, CZ, SE) will occur at a time of increasing global competition, rapid technological developments, climate change and economic recovery from the COVID-19 pandemic. These are all issues that the EU needs to address through effective policies. With the right strategies and measures and using an integrated approach, connecting all relevant policies, these challenges can be turned into opportunities. To succeed in this, the EU needs a close cooperation with industry stakeholders, which have a key role to play both in the economic recovery and in the transition towards a circular, climate-neutral and digital society. The role of the Working Party on Competitiveness and Growth (High Level) (HLG) will be even more important during the years to come by promoting an ambitious policy agenda for economic recovery, competitiveness and growth, and by monitoring and mainstreaming competitiveness across relevant policy initiatives and fora, most notably the Single Market Enforcement Task Force (SMET) and the Industrial Forum. The HLG should also monitor the implementation of the EU industrial strategy and progress on the broader competitiveness agenda and provide the Competitiveness Council with relevant analysis and actionable policy options.

It is vital to make use of lessons learned from the pandemic. In our work programme, we want to articulate a common vision that enables green, digital and resilient industrial and business sectors that deliver growth and economic competitiveness in Europe. We should focus on strengthening the EU's resilience and reduce our industrial vulnerabilities in line with the Commission communication from May 2021 on updating the European industrial strategy and communications on other policy fields. We should also increase our preparedness vis-a-vis future crises by helping to develop efficient crisis solution mechanisms. A more integrated and fully functioning Single Market in all its dimensions remains at the core of the EU in order for us to deliver on these objectives.

The following pillars will form the basis of the HLG's work programme:

1. A well-functioning and resilient Single Market with prospering SMEs and a strengthened industrial base

The EU needs a horizontal industrial policy with good framework conditions that accelerates the green and digital transition, increases resilience, and strengthens the EU's competitiveness and innovation capacity. Policies must be based on the strengths of the EU, e.g. a well-functioning Single Market, open trade with clear rules, a strong and modernised competition policy adapted to global markets and digitisation and utilizing knowledge, ambitious research and innovation policy aiming to increase productivity, competitiveness and greatly reduced emissions. A fully functioning Single Market in itself is a source of enhanced resilience and robustness even in times of crisis.

Priorities:

- Contribute to an overall strategy for strengthening and deepening the Single Market and its four freedoms, while following up on the long-term action plan for better implementation and enforcement of Single Market rules, focusing on services, removing remaining unjustified barriers, reinforcing digitisation of product safety and market surveillance authorities.
- Improve the resilience of the Single Market and discuss the spirit of the Single Market Emergency Instrument (SMEI).
- Advise on strengthening and modernising the stakeholder-driven European standardisation system, work on the global promotion of EU standards.
- Promote a vibrant environment for research and innovation, entrepreneurship scale up and SME development, as well as large-scale reskilling and upskilling.
- Monitor the implementation of COVID-19 crisis recovery measures, including the Recovery Plans.

- Provide conditions for the recovery of the tourism sector after the crisis provoked by the COVID-19 pandemic, including by addressing the issues of sustainability and resilience.
- Contribute to the development of Key Performance Indicators as presented in the updated industrial strategy.
- Strengthen the EU's industrial base and competitiveness by providing favourable and globally competitive framework conditions and promote the application of the better regulation principles to create a proportional, less burdensome, high quality and future-proof regulatory environment.
- Further improve easy, online access to business-relevant information and procedures.
- Keep up the implementation momentum of the Intellectual Property Action Plan.

2. A successful twin transition

Climate and environment-related challenges are this generation's defining tasks. At the same time, major export opportunities can be harnessed for providers of innovative and environmentally friendly solutions. The HLG has therefore an important role in streamlining different policies related to the green and digital transitions. This means making sure that the EU's Single Market, industrial, research and innovation policies provide conditions that help European companies develop climate-neutral and circular products and solutions. Policies should support the development and diffusion of breakthrough technologies necessary for the green and digital transitions. As the EU Digital Compass highlighted, the development and diffusion of digital solutions are also essential for competitiveness. Moreover, digital solutions will help companies diversify production chains, as they enable more efficient collaboration with digitally advanced European partner companies.

Priorities:

- Promote the competitiveness of climate-neutral and renewable technologies and support the creation of lead markets for fossil free, circular and zero pollution products and services; assess the overall and sectoral industrial impacts of the “Fit for 55” package and the possible way forward for accelerating industrial decarbonisation.
- Ensure supporting and enabling conditions for innovation, break-through technologies and investments necessary for the green and digital transitions.
- Promote the digital transition of industries and simplify and speed up the dispersion of digital and technological solutions. Build structures to ensure that digital solutions go from idea to the market.
- Promote a proportionate, future-proof regulatory framework supporting the development of safe and human-centred artificial intelligence applications, data spaces and other cutting-edge technologies, including through the cooperation with third parties.
- Monitor the review of existing competition rules and rules for digital services and their adaption to societal change and challenges posed by the green transition and digital transformation of markets, notably the negotiation of DSA and DMA.
- Contribute to the work on transition pathways for relevant ecosystems.

3. Strengthening capacities and achieving strategic autonomy while preserving an open economy

The EU needs to strengthen its resilience and build on actions proposed in the updated industrial strategy as well as on strategic approaches in other policy fields. A strengthened, well-functioning Single Market, a broad green and digital European industrial base, strong research and innovation policy and an ambitious and positive bilateral and multilateral trade agenda should be the starting points to achieve global competitiveness, diversification and thus resilience. The EU should continue to map and monitor strategic dependencies and, where necessary, reduce these through a mix of actions in line with the updated industrial strategy, building on the strengths of a fully functioning Single Market as well as open and competitive markets.

Priorities:

- Continue to map, update and anticipate strategic dependencies and vulnerabilities for specific products and services, particularly in the most sensitive industrial ecosystems, and identify measures to reduce these dependencies where deemed necessary.
- Facilitate the access to global markets through promoting a diversification of value chains, multilateral cooperation and good global governance.
- Promote a better access to critical raw materials and critical industrial inputs.
- Follow the adaptation of trade, competition instruments and the State aid framework to ensure fair competition for companies in the Single Market and globally.
- Promote broad, transparent and inclusive industrial and technological cooperation across Member States in strategic value chains and ecosystems and support industrial alliances.