



Council of the
European Union

Brussels, 14 April 2023
(OR. en)

8206/23

LIMITE

COMPET 325
MI 293
IND 169

NOTE

From: Trio Presidency
To: Working Party on Competitiveness and Growth (High Level)
Subject: Working lunch: The Single Market and Competitiveness Scoreboard –
Follow-up to the European Council

Delegations will find in Annex a Trio Presidency discussion paper on Competitiveness Check, in view of the working lunch discussion of the Working Party on Competitiveness and Growth (High Level) on 28 April 2023.

The Single Market and Competitiveness Scoreboard – follow-up to the European Council

On 16 March 2023, COM presented the communication *Long-term competitiveness of the EU: looking beyond 2030*. In the communication COM identifies nine mutually reinforcing drivers:

1. Functioning Single Market
2. Access to private capital
3. Public investment & infrastructure
4. Research & innovation
5. Energy
6. Circularity
7. Digitalisation
8. Education and skills
9. Trade and open Strategic Autonomy.

In addition, the nine drivers will be accompanied by a ‘Growth enhancing regulatory framework’. The drivers are all interlinked and it is understood that there is no single answer to the current challenges.

The nine drivers will be monitored by a number of key performance indicators (KPIs). These KPIs are also listed in the communication. In addition to the proposed KPIs there is a need to take account of sectoral policies and existing tools, as well as the possible need for additional KPIs in order to adequately monitor progress in some areas. A key aspect of the communication is the proposed follow-up where the COM commits to *...present the update on an annual basis in the Single Market and Competitiveness Scoreboard. They can thus provide a combined measure of the state of EU competitiveness for the March European Council as well as to the European Parliament, in order to inform and prompt discussion on any necessary policy measures¹.*

¹ Long-term competitiveness of the EU: looking beyond 2030, p. 19.

The communication was also discussed at the European Council on 23 March 2023. The conclusions from the meeting refer to the follow-up:

The European Council invites the Council and the Commission to take work forward on all these aspects, and to report on progress ahead of its June 2023 meeting. Moreover, the Council is invited to assess progress annually based on Commission input, including key performance indicators².

This commitment is reiterated in the follow-up note that was discussed by Coreper on 29 March 2023. During that discussion several Member States asked for a more detailed roadmap for the work ahead.

It is an uncomfortable fact that the EU is sometimes better at proposing, negotiating and deciding on ambitious proposals, rather than actually implementing them. This applies particularly to plans and strategies that are not legally binding. The two communications that were presented by COM in March: *Long-term competitiveness of the EU: looking beyond 2030* and *The Single Market at 30*, both have fairly concrete and detailed targets and scope. They do not set out sweeping, general ambitions, but a series of specific proposals and initiatives designed to move the EU forward. Some proposals will need developing, while others may need to be tweaked, and it remains to be seen how they can be used and implemented and whether they will bring added value. In order to do this efficiently we will need to discuss both the substance and procedural matters.

² EUCO 4/23, §13.

One issue that has been discussed repeatedly in the High Level Group ('HLG') is the link between the first COMPET Council each year and the March European Council. Both in 2022 and 2023 the HLG discussed how we could best make use of the Annual Single Market Report and the Single Market Scoreboard. Since COM has already expanded the Single Market Scoreboard to include competitiveness and now suggested that it will be further expanded to include all the KPIs selected under the *Long-term competitiveness* communication, this provides an opportunity to revisit the matter. Furthermore, in January 2023, the Commission published the Annual Single Market Report (ASMR) and the Single Market Scoreboard as a package and intends to do so in the future. How can we create a natural, effective and transparent process that will help leaders to have productive discussions about competitiveness, the Single Market and industrial policy at their March meetings, and where will the ASMR (possibly in the form of a communication³) and the expanded Single Market and Competitiveness Scoreboard fit into this process?

This is a subject that could easily become very broad. There are already a number of areas where COM is required to provide regular updates to the Council. Apart from the two communications mentioned above, several of the legislative proposals that are currently being negotiated also contain provisions concerning reporting. At the same time the Commission has committed to making "*a fresh push to rationalize and simplify reporting requirements for companies and administrations*" with the aim of reducing such burdens by 25%⁴. In addition, many Member States have expressed a wish for the Single Market Enforcement Task-Force (SMET) to be a standing item on the agenda of the first COMPET Council each year.

³ Joint Non-paper of Belgium, Croatia, Czech Republic, Denmark, Estonia, Finland, Ireland, Latvia, Lithuania, Malta, Poland, Portugal, Slovenia, Slovakia, Sweden and the Netherlands on the Annual Single Market Report 2021.

⁴ Long-term competitiveness of the EU: looking beyond 2030, p. 18.

These are just a few of the relevant examples. However, it is probably too ambitious to use a lunch discussion at an HLG meeting to try to design an all-encompassing process leading up to the first European Council every year. Especially since we all know that agendas and priorities can change quickly depending on developments both inside and outside the EU. We therefore suggest that the main focus of the lunch discussion should be the Single Market and Competitiveness Scoreboard, and how we can make best use of that expanded instrument.

We therefore invite members to reflect on the three questions below, and particularly on the first two:

1. What are MS's views on the Commission's proposal to expand the current Single Market Scoreboard to include competitiveness, based on the additional KPIs proposed in *Long-term competitiveness of the EU: looking beyond 2030*?
2. How should the ASMR and the Single Market and Competitiveness Scoreboard best be used to prepare the first COMPET Council and the March European Council every year? What should be the roles of the Commission and Council working parties including the HLG?
3. Should a strong link be established between the package (ASMR and the Single Market and Competitiveness Scoreboard) and other issues that require follow-up (such as the initiatives proposed in *The Single Market at 30*, SMET, NZIA, CRMA, etc.). If so, how?