

Informal Competitiveness Council, Anna Stelling, Break-out session 1  
7 February 2023

Thank you, Deputy Minister Kozusnik,

Honourable ministers and EU commissioner, distinguished delegates and guests,

It is a great pleasure for me to speak on such a central topic and I would like to extend a special thanks to the Presidency.

Thank you for the kind introduction. I am head of International and EU affairs at the Confederation of Swedish Enterprise – the central business organisation in Sweden, gathering some 60,000 companies and 48 industry and employer organisations. We work on issues that are important to all companies existing and yet to be born, irrespective of sector and size.

I would like to use the time at my disposal to approach three questions:

- Why we need to pay attention – even more attention - to the Single Market;
- Why we, from an industry and business perspective, are concerned about some current developments;
- And thirdly, perhaps most importantly, what we would need from a forward-looking Single Market agenda.

### **So why do we need to pay attention to the Single Market?**

- The answer is quite obvious – the EU's Single Market is the world's largest common market– enabling cross-border competition and trade – and it is one of the EU's most strategic assets.
- This crown jewel of the European project is essential to the global competitiveness of European businesses. This is the very consistent message we get from all our member companies. Regardless of sector, business model or size: the Single Market is our greatest asset in a challenging world.
- This year, the Single Market turns 30 – a great time for celebration but no time for complacency. We still have work to do.
- Standing still is not an option at this critical point in time. Alongside here-and-now crisis management, it is crucial that we take on the longer-term challenges, especially the growing gap in growth and innovation between the EU and the rest of the world.
- It is time to pay more attention to a future-oriented and deepened Single Market for a broader competitiveness strategy for and by the EU.
- This should be an obvious place to start. The Single Market is the foundation for competitiveness, productivity and growth in the EU.
- We cannot overestimate the power and the potential of the Single Market.

### **So, what are then our concerns, from a business perspective?**

- The Single Market empowers the European Commission to act when Member States fail to implement or when they breach EU law. But from the business side, there is a worry that the Commission is not doing enough to safeguard the Single Market.
- And the worry extends to fears of self-inflicting damage. When seeking today to establish a level playing field on a global level, we must ensure that competition is not distorted on the Single Market. It's a too high price to pay.
- There is a sense of urgency to address some of the more immediate challenges, especially the spiking energy costs. Businesses, as well as consumers, are the first to recognise this.
- But we must make sure not to put the Single Market in reverse when trying to accelerate so-called strategic sectors and technologies. Like the former EU commissioner Monti put it – There is no point in keeping the Single Market free of anticompetitive distortion by firms if countries can then distort that same Single Market.
- We must also make sure that good ideas and great ambitions do not in fact contribute to putting the Single Market in reverse. We are, from the private sector, worried that the Single Market Emergency Instrument, with all its good ambitions, interferes with what should remain pure business decisions, such as the organisation of supply chains.

### **So, to my third point, what should a forward-looking Single Market Agenda include?**

- A forward-looking agenda needs to focus on the growth potential in a deepened Single Market, including the removal of barriers and a renewed energy when it comes to better regulation. More generally, there is also a need to recognise the central role of business in driving the necessary transitions.

Let me give a few examples, once again from a business perspective:

*First of all, we need to remove barriers.*

- We need an initiative to equip the Commission with the necessary powers to remove obstacles that Member States often put in the way of the Single Market.
- But focus should be broad – clean tech industry is of course absolute key to meet ambitious climate goals, but all types of businesses have a role to play. Therefore, our agenda needs to be broad-based.
- Narrowly focusing on green products is not enough, since we cannot predict – no one can - what innovations and solutions the future will bring.
- There should be no barriers to the EU Single Market, full stop.
- But unlike the Single Market in goods, changes in the Single Market for services have not gone far enough - and as a result Europe has a patchwork of market access rules that prevents scale and competition, and that leads to strong home-market bias.

- That is why actions to deepen the Single Market should include a radical push for liberalisation in services – similar in ambition to what the Delors Commission did for the Single Market in goods.

*We also need Better Regulation.*

- We need a regulatory framework that guarantees healthy competition on the Single Market.
- We also need consistent implementation of legislation across the EU to avoid fragmentation and distortion of competition. Implementation aspects need to be taken into account already when drafting new legislation.
- The innovation climate should be strengthened in principle-based, technology neutral ways. To improve the innovation climate, we need to bring so-called regulatory sandboxes and experimentation clauses into existing and new regulations.
- We need an innovation-friendly regulatory framework, based on the principles of the New Approach, that can easily adopt the most recent technological advancements.
- We welcome the soon-to-be-introduced “Competitiveness Check”. It will be key to ensure this check is performed in relation to new legislation, and to compare the regulatory burden on EU businesses with that of key competitors outside the EU.

*There is also a need to recognise the role of businesses in driving the transition.*

- I am proud to see the companies represented in our Business Innovation Safari here this week. They are front runners in the green transition. To succeed, governments must leverage business innovation and solutions.
- In looking at the different approaches the EU and the US have chosen, I believe there is merit to take a closer look at the US way of providing regulation that enables consumers and businesses to drive the green transformation.

**Finally, and this will be my conclusion, a few words on the Single Market and the broader competitiveness agenda.**

- Europe has built – and will continue to build – our success on healthy competition and international trade.
- We look to you as policymakers to remove barriers and create favourable conditions for businesses to prosper – which in turn will contribute to achieving ambitious political objectives.
- So, my message to you in your discussions today is that short term measures need to be complemented by a long-term competitiveness and productivity agenda. A corner stone in this agenda should be a renewed focus on competition and trade on the Single Market.
- I am convinced that this will act as key drivers for a competitive Europe. With the Single Market at its core.