

# Blueprint for an Integrated Nordic Market

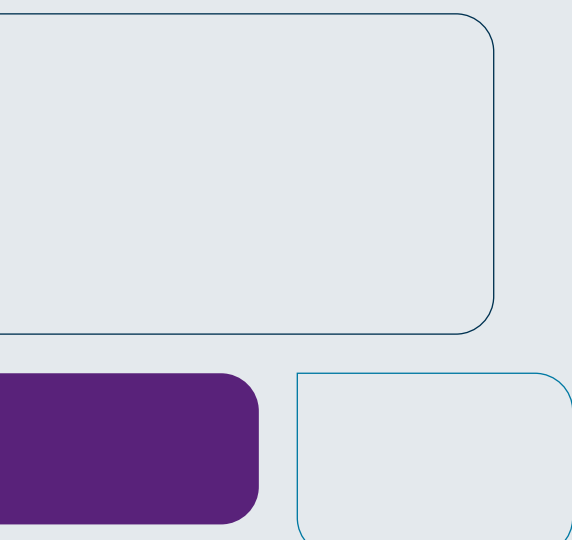


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# Making Nordic market integration work in practice and demonstrating a model for Europe's Single Market

A better functioning EU Single Market with the free movement of goods, services, people and capital is one of Europe's most powerful competitiveness tools. While many Nordic companies operate seamlessly across Nordic borders, barriers to trade in the Nordics remain everyday reality. Like the EU Single Market, the idea of an integrated Nordic Market is far from fully realised. By building a genuinely integrated Nordic market, the Nordic countries can lead by example in Europe. This requires not only shared values and close cooperation; it requires deliberate political choices about how national decisions interact in practice. With the Nordic Prime Ministers' vision 2030<sup>1</sup> as a foundation, the Nordics are well placed to excel in both aspects.

The blueprint presented in this paper explores how the Nordic countries can close the gap between the political ambition of an integrated Nordic market and the everyday reality for companies, and in doing so provide the rest of Europe with a viable model for a better functioning European Single Market.



<sup>1</sup> <https://www.norden.org/en/information/vision-2030-nordic-region-will-become-most-sustainable-and-integrated-region-world>



## Vision: from legal access to operational reality

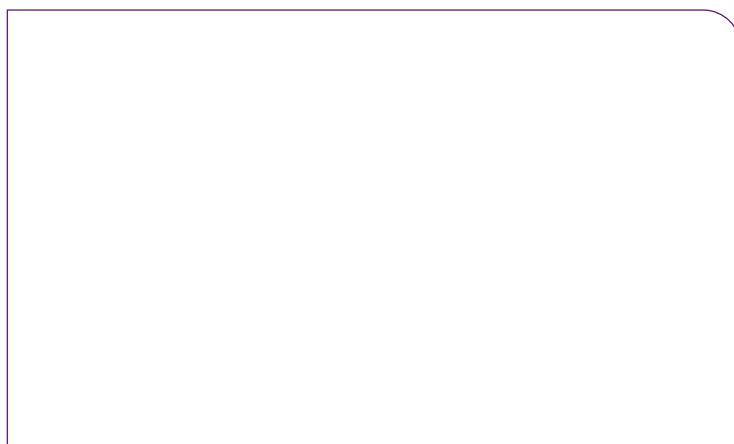
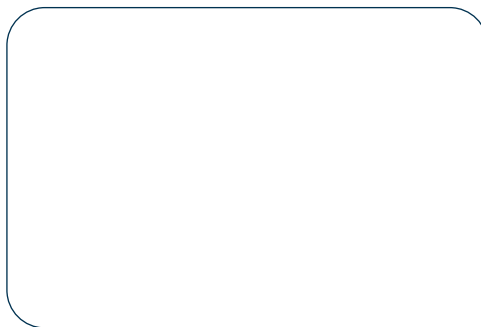
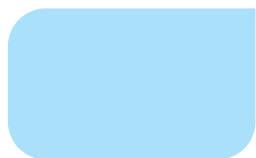
The Nordic countries should lead by example by building Europe's most operationally integrated market for business.

The EU Single Market provides the legal foundation for the free movement of goods, services, capital and people. The Nordic ambition aims to go further: to ensure that market integration works in practice, not only on paper.

An integrated Nordic market is therefore not about new rules or reopening EU legislation. It is a political choice: to make national decisions come together to create a coherent Nordic market where the four freedoms of the EU's Single Market are a practical reality.

For companies, what matters is not whether market access exists in principle, but whether operating across borders is coherent, predictable and efficient in practice.

A Nordic integrated market requires a shared political commitment to reduce unnecessary friction, strengthen operational coherence and create a truly integrated home market for companies within the framework of the EU Single Market.





## Why this matters now: Europe's competitiveness at a crossroads

Europe's competitiveness is under pressure. Productivity growth is weakening, and in a world where investment is increasingly mobile, capital flows to regions with more attractive framework conditions. As a result, European companies struggle to scale at the pace of their global competitors. These challenges have placed competitiveness at the top of the European political agenda.

A better functioning single market is one of Europe's most powerful competitiveness tools. However, despite decades of integration, the European Single Market remains fragmented in everyday business reality. Companies continue to face complexity and administrative friction when operating across borders, not because of formal barriers, but because national systems and practices do not align sufficiently.

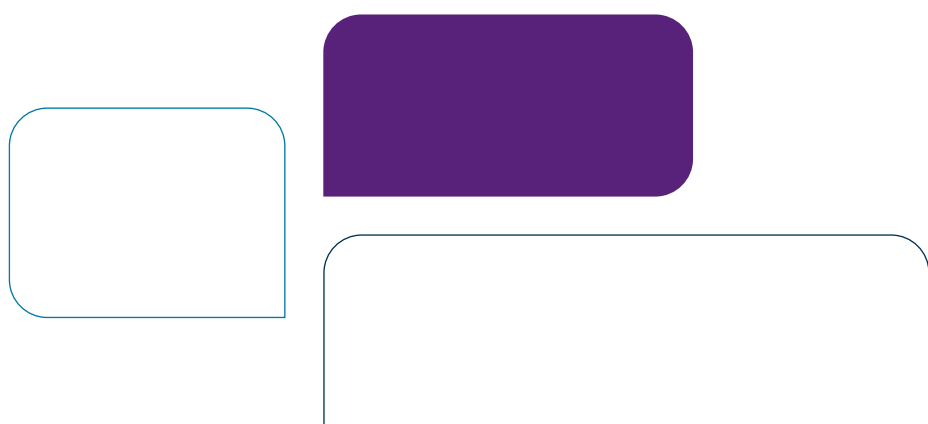
This fragmentation is no longer a marginal problem. It directly limits Europe's ability to generate scale, productivity and growth.

The Nordic experience reflects this broader European challenge but also points a way forward.

Calculations commissioned by Swedish Enterprise show that there is significant economic potential in a less fragmented Nordic market. With fewer unnecessary barriers in the Nordic region, Swedish exports to Iceland and Norway could nearly double, while exports to Denmark and Finland could increase by around 30 percent.

All five Nordic countries would see substantial GDP gains, ranging from more than 2.5 percent in Denmark and Finland to nearly 4 percent in Sweden and around or above 5 percent in Iceland and Norway.

For Nordic companies, fragmentation has immediate consequences in terms of higher costs, slower expansion and weaker incentives to scale within Europe. At the same time, the Nordic countries are uniquely well placed to address this problem. High levels of trust, advanced digitalisation, strong institutions and long traditions of cooperation make it possible to move beyond legal integration and focus on how the market can function optimally in practice.





## From vision to reality: where companies still face friction

According to recent Nordic surveys, Nordic companies generally consider trading within the Nordic region to be easier, compared to trading with other EU countries or the rest of the world. Yet, companies continue to experience that selling the same product or service across Nordic borders involves more complexity than operating within one country.

Based on the experience of Nordic companies, the complexity is caused by national rules and administrative requirements on the market to which they export, in particular:

- National rules and technical requirements for products (including labelling and testing)
- National rules and requirements for the provision of services, e.g. authorisations, certifications or requirements for local establishment
- Rules on labour and posting of workers, e.g. wages and working conditions, taxation or social contributions
- Documentation requirements, e.g. national forms or documentation in the local language
- VAT, duties and taxation (including requirements for physical presence or uncertainty regarding correct treatment)
- Administrative practices and case processing times (including differing interpretation of EU rules)
- Transport, logistics and border procedures
- Public procurement and access to public markets
- Access to capital

Such national rules and administrative requirements create barriers that prevent the Nordic market from functioning as a single market in practice. This challenge is also well known across the European Single Market. Its' persistence in the Nordic context shows that legal integration alone is not sufficient.



## Three calls for political action

If the Nordic market is to function as a single market in practice, governments must therefore take greater political responsibility for how national decisions interact across borders.

### **A. Make business-relevant barriers the core of Nordic cooperation**

The Nordic countries already have institutional frameworks designed to identify and address cross-border obstacles. With their cooperation programme for 2025 to 2030, the Nordic ministers for cooperation have raised the level of ambition for Nordic cooperation on mobility and border obstacles. The Freedom of Movement Council (Grænsehindringsrådet) plays an important role in removing barriers to mobility and integration in the Nordic region and its mandate also states that, where relevant, the Council should consider relevant EU legislation and processes in its work on border obstacles.

However, the current institutional framework still lacks clear strategic direction and political ownership when it comes to business-relevant barriers. As a result, the potential of Nordic cooperation is not yet fully realised.

The existing institutional framework should be used more strategically to address business-relevant barriers, including those illustrated above, by:

- Agreeing and delivering on an annual short list of business-critical border obstacles linked to EU legislation, with clear owners and deadlines for delivery, and a clear expectation of tangible results for companies.
- Systematically identifying where Nordic solutions to cross border barriers can serve as models for other EU Member States and encourage their adoption EU wide to strengthen the EU's Single Market.
- Providing the Ministers for Business with an annual business-driven status, developed in close partnership with Nordic business organisations, highlighting progress, remaining barriers and priorities for political action.

### **B. Remove the barriers**

Nordic governments should take explicit political responsibility for preventing national implementation and interpretation of EU Single Market rules from creating new barriers or unnecessary divergence across the Nordic region. Before national solutions are finalised, governments should assess, for instance by way of a Nordic neighbour check, how the same rules are being implemented in the other Nordic countries with the aim of minimising unnecessary differences from the outset. This should become a standard political discipline, ensuring that common EU Single Market rules lead to a more coherent, integrated Nordic market.

First steps could be to:

- Harmonise divergent regulation related to packaging, waste and circular products. Today, divergent implementation and interpretation cause excess administration and hampers the transition to a circular economy.
- Complete implementation of the Services Directive. Today, cross border service provision is limited due to national requirements to obtain local permits or authorisations, and local content requirements.
- Improve the digitalisation of public authorities and ease companies' access to digital interaction with public authorities in Nordic countries other than their own. Today, documentation requirements, requirements for physical presence and long case processing times increase the cost of doing business across borders.

### **C. Apply a Single Market check on new national rules**

The Nordic governments should make it a fixed political principle that, whenever new national legislation is prepared, governments assess its potential impact on cross-border trade and the functioning of the European Single Market. Without limiting the right of national governments to regulate according to national priorities, such an approach would highlight if national measures create unnecessary barriers to market access, increase regulatory divergence or burdens, or make cross-border business more complex.

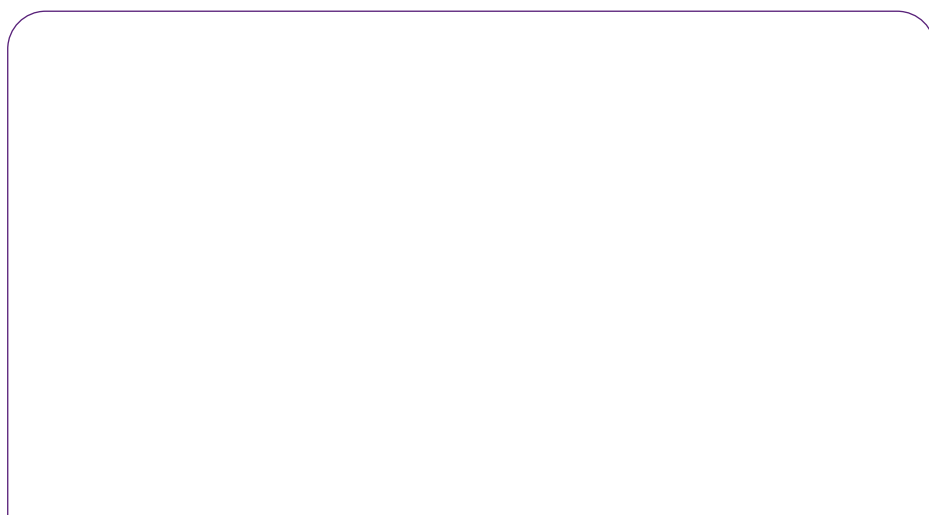
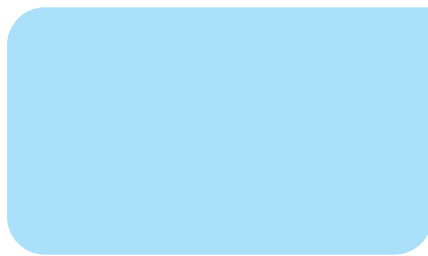
Given their high level of integration, the Nordic countries should go further and treat the Nordic region as a test case for how such an approach can work in practice. The test should not only be whether a rule works nationally, but whether it allows companies to operate seamlessly across borders without unnecessary friction.





## The Nordics leading by example in the EU

Taken together, the three political actions form a governance approach to market integration that responds directly to the challenges that companies face not only in the Nordics but also within the European Single Market. If the Nordic countries succeed in making market integration work more coherently in practice, the Nordics will strengthen growth and competitiveness at home. Moreover, by applying this governance approach in the Nordic context, governments can make the Nordics a model for how to strengthen the European Single Market in practice.



- The Confederation of Finnish Industries (EK) represents more than 15,000 Finnish companies across all business sectors, 96% of which are small and medium-sized enterprises (SMEs). EU Transparency Register number 1274604847-34.
- The Confederation of Norwegian Enterprise (NHO) is Norway's largest organisation for employers. Our 18 sectorial federations represent all major business areas in Norway, including industry, seafood, offshore oil and gas, finance, energy, technology, health tech, food and drink, construction, aviation, retail, media, tourism, transport and logistics. NHO's 34,000 company members range from multinational corporations to small family-owned businesses. EU Transparency register number 07442991338-05
- The Confederation of Icelandic Enterprise (SA) represents more than 2,000 Icelandic companies through six member organisations across all major sectors of the economy. Its member companies account for more than 70% of salaries paid in the private sector, and 94% are small and medium-sized enterprises (SMEs). SA represents employers in collective bargaining and advocates for a competitive legal and regulatory environment for Icelandic businesses. EU Transparency Register number: 542723094224-95.
- The Federation of Icelandic Industries (SI) is the largest employers' organisation in Iceland, representing approximately 1,700 companies. As an industrial partner SI represents a wide range of industrial sectors, including manufacturing, construction, energy-intensive industries, food production, technology, and creative industries.
- The Confederation of Swedish Enterprise is a non-profit association, bringing together 60,000 Swedish companies with nearly 2 million employees and 49 industry and employer organizations across all business sectors. Transparency Register ID Number: 39912257528-48
- Danish Industry (DI) is Denmark's largest business and employers' organisation. DI represents 20,000 Danish companies across manufacturing, services and trade. DI's member companies employ approximately 650,000 people in Denmark. DI works to improve framework conditions for businesses and strengthen competitiveness at national, European and global level. EU Transparency register number 5749958415-41