

# EU competitiveness beyond 2030: looking ahead at the occasion of the 30th anniversary of the Single Market

On 16 March 2023, two communications marking the 30<sup>th</sup> anniversary of the Single Market and outlining ways to ensure the EU's long-term competitiveness [were released](#) by the European Commission. These communications aim at recognising the merits of the Single Market since its inception in 1993 and steer the debate among leaders on how to foster the productivity and competitiveness of the European economy in the long run.

## 1. Communication on “The Single Market at 30”

In its [communication](#), the Commission identifies the EU Single Market as its most valuable resource and stressed that a fully functioning Single Market is the essential foundation of the EU's long-term competitiveness. However, it outlines that the Single Market must continue to adjust to changing circumstances and take into consideration the geopolitical climate, technological advancements, the ecological and digital transitions, as well as the need to increase EU's long-term productivity and competitiveness.

The Commission identifies two areas for further action to harness the full potential of the Single Market going forward:

- Enforcing existing Single Market rules and removing barriers at Member State level, particularly those that prevent the provision of services across borders and in industrial ecosystems with the greatest potential for economic integration (retail, construction, tourism, business services and renewable energy sector);
- Continuing to foster the green and digital dimensions of the Single Market as a source of innovation, growth and competitiveness.

To address these two areas, the Commission will continue working with the Member States through the [Single Market Enforcement Task Force](#) and will continue engaging with business stakeholders through the Industrial Forum, the Enterprise Europe Network (EEN), the network of national SME envoys, and the clusters network. The Commission also suggests to set a benchmark on SOLVIT<sup>1</sup> with the aim of solving a minimum of 90% of the cases within 12 months in each Member State. In addition, the Commission wants to simplify the obligations of the Member States to notify their initiatives by creating a Single Notification Window that will enable Member States to finalise all notifications in one place, in replacement of the various notifications tools that exist today. The Communication also outlines that the Commission “cannot be the sole voice of the interest of the Single Market, acting through its enforcement and convening powers” and that the Single Market also needs a dedicated voice within national administrations. It therefore proposes that each Member State establishes a Single Market Office. The Commission will monitor Single Market developments through The Single Market and Competitiveness Scoreboard and Annual Single Market Report.

The Communication also stresses the importance to continue to foster the green and digital dimensions of the Single Market, and that “common rules applicable throughout the EU will make it easier for businesses to rise to the challenge, and thus to achieve our objectives – also potentially at the global level.” It takes as an example the

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<sup>1</sup> SOLVIT is an informal problem-solving network of the European Commission and the Member States of the European Union and the EEA.

proposed Commission rules on Ecodesign rules for Sustainable Products which aim to facilitate and increase the recuperation and recycling of materials from products at the end of their life cycle.

#### Key envisioned actions

- Ensure the correct and timely transposition of EU law to enable Single Market legislation to achieve its intended effects (Commission to work together with Member States to support and promote ambitious implementation and reduce transposition deficit)
- Continue to implement the 2020 Single Market Enforcement Action Plan to bring down barriers (incl. related to the circulation of goods)
- Further strengthen collaboration between Member States and the Commission to implement Single Market rules and prevent breaches of EU law
- Continuing the existing structured engagement with business stakeholders
- Simplify the notification obligations of Member States by setting up a single notification entry point for Single Market notifications (Single Notification Window)
- Establish a dedicated Single Market Office to address Single Market barriers in each Member State
- Preventing new trade barriers from emerging, especially in the services sector
- Proposing setting specific enforcement goals to keep the transposition and conformance deficits of EU Directives to 0.5% of the total number of Directives – currently the EU average transposition deficit is 1.6% and the conformity deficit is 1.3%. Additionally, for cases concerning the non-communication of transposition measures, the Commission recommends a timeline of 12 months from the sending of the letter of formal notice to the resolution of the case or to refer infringement cases to the Court of Justice.
- Preparing a reform of the Customs Union to improve coordination between customs and market surveillance authorities by incorporating centralised risk management data analytics and a more thorough and structured exchange of data.

## 2. Communication on “Long-term competitiveness of the EU: looking beyond 2030”

In its [communication](#) “Long-term competitiveness of the EU: looking beyond 2030”, the European Commission stresses the need to look beyond 2030, the year for which the majority of EU policy goals have been set, and to focus on the longer-term competitiveness of the EU.

The Communication briefly establishes the state-of-play of the EU current competitiveness, and underlines “nine mutually reinforcing drivers” to work along to foster the future of Europe’s competitiveness:

1. a functioning single market,
2. access to private capital and investment,
3. public investment and infrastructure,
4. research and innovation,
5. energy,
6. circularity,
7. digitalization,
8. education and skills, and
9. trade and open strategic autonomy.

To support these nine drivers, the Commission will work “towards a growth enhancing regulatory framework”. For each of the nine drivers, the Communication outlines objectives and actions. It proposes that each driver is also measured on the basis of Key Performance Indicators, monitoring frameworks that have already been developed in sectoral policies, the Single Market Scoreboard, the Digital Decade Policy Programme, and the European Semester.

The Communication concludes that the Commission intends to present an update on progress on an annual basis in the Single Market and Competitiveness Scoreboard, providing a state of the EU competitiveness to be discussed in the March European Council and in the European Parliament, not only to inform them but also to prompt discussions on policy measures if necessary.

### Key envisioned actions

- Introducing tools to measure the cumulative impact of policies and a more innovation-friendly approach to regulation in addition to the "one-in, one-out" strategy and the competitiveness check.
- Reviewing more than 20 sets of competition rules and guidelines.
- Developing further the “once only” principle, including by means of one-stop-shops, in areas such as taxation, customs, and regulatory reporting.
- Reviewing the implementation of the [Sustainable Finance Disclosure Regulation](#).
- Incentivising recycling and recovery of [Critical Raw Materials Act](#) – with a goal of covering 15% of the EU demand from recycled critical raw materials.
- Doubling the percentage of “Circular material use” by 2030 in comparison with the baseline of 2020 (11.7%). To this end, the ecodesign rules for sustainable products and the digital product passport will aim at boosting resource and energy efficiency increasing the recuperation and recycling of materials from products at the end of their life cycle and avoiding and minimising waste production.
- Rationalising and streamlining the reporting requirements for businesses and government agencies with initial proposal for the economic, digital, and green theme areas by Q3 2023. The goal should be to minimise reporting burdens by 25% while maintaining the relevant policy goals. Streamlining and digitalising labelling rules will also be part of this initiative.
- Building a more innovation-friendly approach to regulation by utilising regulatory sandboxes/testbeds more frequently, which enable the testing of novel solutions in a controlled environment for a limited amount of time.

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