



Mr Zdravko Pocivalsek
Chair of the EU Competitiveness Council,
Minister for Economic Development and
Technology of Slovenia

Kotnikova 5
SI-1000 Ljubljana
Slovenia

22 November 2021

Dear Minister,

RE: key messages to EU Competitiveness Council of 25-26 November 2021

Continuity of the Competitiveness Council's discussions on key issues for European industry

First of all, BusinessEurope would like to thank the Slovenian EU Council Presidency for having already discussed at political level such important issues for the European industry as the Fit for 55 Package, the Better Regulation communication and progress on removal of the Single Market barriers at the last EU Competitiveness Council meeting.

We trust your efforts to address all of these issues from the EU competitiveness angle will be continued. Moreover, the Covid19-related challenges are not yet over. We are concerned that the fourth wave of the Covid19 pandemic is yet again bringing unilateral restrictive measures by Member States into play, such as those related to uncoordinated approach to the booster vaccine shots and consequent diverging views on the validity of the EU digital Covid19 certificates. It poses new risks of discrimination as well as disruption to cross-border provision of services in the Single Market. We call upon the Competitiveness Council to play its role in addressing these risks.

The framework for digital economy

Next EU Competitiveness Council meeting will address the digital economy topics of crucial importance. The EU agreed on its Digital Targets 2030, the Commission put forward its proposal for a decision on the Policy Programme 'Path to the Digital Decade' and the earmarking of public funding for digitalisation under the submitted National Recovery and Resilience Plans seems to exceed the set EU benchmark of 20%. *To support these developments and ensure a vibrant overall business environment, the right regulatory framework remains key.*



Therefore, BusinessEurope supports the Presidency ambition to agree a general approach on two key legislative proposals in this regard, on the Digital Services Act (DSA) and the Digital Markets Act (DMA), both initiatives that BusinessEurope welcomed. We stress that quality and legal certainty are key in these flagship proposals shaping the future of European and global digital economy.

We call for a solution that *promotes* cross-border provision of digital services while ensuring a trusted online environment in contestable markets.

We welcome progress on the enforcement and supervision provisions of the DSA/DMA package. It is crucial that the final agreement facilitates cross-border service provision and compliance for companies, especially SMEs. We urge the Council to reflect upon direct implications of the future rules on SMEs operating in Europe and their avenues for growth online. The intact country-of-origin principle remains key in this regard.

BusinessEurope also considers that co-legislators could further focus on clarification of the actual scope of the package rather than drifting with political temptation to extend it, which would undermine legal certainty and create inconsistencies with other pieces of legislation.

Last but not least, BusinessEurope considers that the Competitiveness Council could play an immense role in decisions on other legislative initiatives shaping Europe's digital transition, to which industry is a key part, such as proposals on artificial intelligence, cyber-resilience and data sharing.

We stand ready to discuss these issues with you further.

Yours sincerely,

Markus J. Beyrer