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Single Market Emergency Instrument - Public consultation 2022

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Introduction

SMEI public consultation

A short introduction on the Single Market Emergency Instrument (SMEI)

The European Council in its Conclusions of 1-2 October 2020 stated that the EU will draw the lessons from the COVID-19 crisis and address remaining fragmentation, barriers and weaknesses of the Single Market in facing emergency situations. In the Update of the Industrial Strategy Communication [1], the Commission announced an instrument to ensure the free movement of persons, goods and services, as well as greater transparency and coordination in times of crisis.

The overall Single Market legal framework is considered sound, however some of its features (e.g. the lack of information on the availability of goods needed in a crisis or the lack of communication and coordination channels dedicated to Single Market crisis management) are likely to hamper the EU's ability to respond to any major crisis with important cross-border effects, such as a public health crisis, a natural disaster or a major technological accident that can significantly hinder free movement of persons, goods and services and/or disrupt supply chains. Furthermore, some of the Single Market rules and requirements – while useful and necessary – lack the flexibility that can make the difference in times of emergency.

Russia's invasion of Ukraine has raised further issues about ensuring the resilience of the Single Market in times of crisis, especially in areas where Europe is heavily dependent on strategic foreign sources of supply, such as certain critical raw materials. The Single Market is a key asset in managing a crisis and strengthening the EU's economic resilience and, while resilience of the Single Market is the prime responsibility of the European businesses, the EU and its Member States may take actions to leverage the power of the Single Market to better solve crises. Confronted with growing instability, strategic competition and security threats, the meeting of EU leaders in Versailles on 10-11 March 2022 highlighted the need to build a more robust economic base, which is more resilient, competitive and fit for the green and digital transitions. building the strengths the Single Market. on

As stated in the Industrial Strategy Update in 2021, while industry is best placed to improve resilience and reduce vulnerabilities, through diversification of suppliers, substitution of inputs and use of secondary raw materials, the Commission is identifying public policy measures that can support industry's efforts to address dependencies and to develop strategic capacity needs: diversifying supply and demand relying on different trading partners whenever possible, but also stockpiling and acting autonomously whenever

necessary. This can include a need to enhance means to prevent disruptions and prepare for crises, and respond to crises in a more effective way.

The main policy objective of the initiative is to guarantee its smooth functioning in times of crisis by providing: (1) adequate coordination and communication mechanisms between EU institutions, Member States and stakeholders; (2) the means to ensure the resilience of the Single Market including availability of products and services relevant for a certain type of crisis, and guaranteeing as much as possible the free circulation of goods, services and persons in times of crisis.

[1] Communication "Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery", COM(2021)350 final, 05 May 2021.

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Questionnaire

Obstacles to free movement of persons, goods and services

The Single Market is the core of the EU economy and the key to recovery from any crisis. The proper functioning of the Single Market can however be disrupted in times of crisis, either directly by forces of nature or by unilateral regulatory restrictions.

As the first and subsequent waves of COVID-19 were rolling over Europe, several Member States introduced a variety of restrictions directly affecting the basic freedoms of the Single Market, such as the free movement of goods, services and persons. While the protection of public health can serve as a legitimate reason to limit free movement, the measures taken by Member States cannot extend beyond what is strictly necessary. The introduced restrictions led to delays and interruptions in the flow of goods and services, resulting in cascading detrimental effects on businesses and livelihoods.

In the course of the COVID-19 crisis, the EU developed a number of facilitating measures to mitigate the effect of national restrictions and used the existing mechanisms to coordinate the crisis management. Lessons learnt from the crisis will be used to analyse whether there is a need to reinforce or complement existing tools, including designing a horizontal targeted emergency tool such as the Single Market Emergency Instrument that will allow dealing with future crises, irrespective their nature. To this end, the Commission seeks the views of stakeholders on the following aspects:

<u>1.</u>	Please indicate to which extent:			

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
you were negatively affected by the restrictions on free movement of persons, cross-border service provisions or export of goods?	•	0	•	0	0	•

2. if indicating as affected in question 1

Please indicate in which areas you were negatively affected by the restrictions on free movement of persons (tick all that apply):

at most 8 answered row(s)

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
<u>a.</u> in your private activities as a consumer /service recipient	•	0	0	0	0	0
b. in your professional activity as a worker	0	0	0	0	0	•
<u>c.</u> in your professional activity as a service provider	•	0	0	0	0	0
<u>d.</u> in your professional activity as an entrepreneur	•	0	0	0	0	0
<u>e.</u> as a company employing cross-border workers	•	0	0	0	0	©
<u>f.</u> as a company relying on cross-border service providers	•	0	0	0	0	0
g. as a public authority/public employer employing cross-border workers or relying on cross-border service providers	0	0	0	0	0	•
h. as a citizen wishing to travel within the EU, e.g. for visiting relatives	0	0	0	0	0	•

2.i Other? Please specify:

BusinessEurope responds to the questions on the basis of evidence gathered from its members (i.a. company-level cases).

2.j (Optional) Please elaborate on the negative impacts from your perspective and provide, to the extent possible, costs estimations, ideally in absolute numbers but also as a percentage of your regular sales or the prices your company had before :

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See comments under q. 38-39.		

<u>3.</u> Please indicate the extent to which you believe that the following type of restrictions introduced in response to the ongoing COVID-19 pandemic have been **n** ecessary and justified in order to protect public health?

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
 a. national restrictions limiting the free movement of persons across intra-EU borders, e.g. ban of non-essential trips in the first months of the pandemic 	0	0	•	0	0	0
<u>b.</u> national restrictions/controls limiting the free movement of persons across intra-EU borders after the first few months of the pandemic	0	0	•	0	0	0
c. national restrictions affecting cross-border service provision (other than restrictions to the free movement of persons) where the service provider (e.g. nurse, physiotherapist, installation or maintenance technician, construction worker or transport worker) needed to travel to the host Member State	•	©	©	•	0	©
d. national restrictions affecting cross-border service provision (other than restrictions to the free movement of persons) where the recipient of the service needed to travel to another Member State where the service provider's establishment was located (e.g. repair workshop, practice or clinic)	•	©	©	•	0	©
e. national restrictions on intra-EU exports of specific goods (e.g. masks, personal protective equipment (PPE) and /or other goods during the crisis)	0	0	0	•	0	0

<u>4.</u> Please indicate the extent to which you believe that there has been **timely**, **sufficient and clear information** from Member States available on the following type of restrictions when they were introduced in response to the COVID-19 pandemic and Russia's invasion of Ukraine?

to a great extend	to some extent	to limited extent	not at all	do not know	not applicable

 a. national restrictions limiting the free movement of persons across intra-EU borders, such as on COVID-19 testing requirements 	©	0	©	•	0	0
<u>b.</u> national restrictions affecting cross- border service provision (other than restrictions to the free movement of persons), such as national lockdown measures or business closures in certain sectors during the COVID-19 pandemic	•	•	0	•	0	•
c. national restrictions on intra-EU exports of specific goods, such as personal protective equipment (PPE) during the COVID-19 pandemic or agrifood products at the outset of Russia's invasion of Ukraine	0	0	•	0	0	•

<u>5.</u> Please indicate the extent to which you agree with the following statement for the areas below.

Actions taken at the EU level have had a positive role/impact on mitigating or solving negative effects of past and ongoing crises (such as the COVID-19 pandemic and Russia's invasion of Ukraine) on the Single Market:

	strongly agree	somewhat agree	neutral	somewhat disagree	strongly disagree	do not know
<u>a.</u> ensuring free movement of goods	0	•	0	0	0	0
<u>b.</u> ensuring free movement of services	0	•	0	0	0	0
c. ensuring free movement of persons	0	•	0	0	0	0
 d. ensuring a sufficient supply of products and services relevant for a certain type of crisis to citizens 	0	•	•	•	©	0
e. ensuring a sufficient supply of products and services relevant for a certain type of crisis to businesses	0	0	•	•	0	0
f. ensuring an adequate distribution of goods and services of potential relevance to a crisis across the Single Market	0	•	0	•	•	•

5.g Other? Please specify:

Some of the EU level measures had a positive impact but they were not timely (late) and were delivered insufficiently, as many of the measures had a form of recommendations loosely interpreted by Member States. "Adequate distribution of goods and services across the Single Market" should not be a subject of intervention; instead, the conditions to navigate through the crisis should be created for businesses, which would achieve the declared goal and serve the needs of Europeans.

6. for all, except Member States

Please indicate the extent to which you benefit or benefitted from measures/tools to facilitate free movement during the COVID-19 crisis such as:

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
a. Green Lanes system	•	0	0	0	0	0
b. EU Digital COVID Certificate	•	0	0	0	0	0
c. Re-open EU platform	0	0	•	0	0	0
<u>d.</u> exemptions from restrictions to free movement for cross-border commuters	0	0	•	0	0	0
<u>e.</u> exemptions from restrictions to free movement for transport service providers	0	•	0	0	0	0

<u>6.f</u>	Other? Please specify:

<u>7.</u> Please indicate the extent to which you believe that dedicated binding measures are necessary to facilitate the free movement for specific groups of persons and/or service providers in times of crisis, such as (**please tick all that is applicable**):

at most 7 answered row(s)

	to a great extent	to some extent	to limited extent	do not know	not applicable
<u>a.</u> all cross-border workers and cross-border service providers	•	0	0	0	0
<u>b.</u> all cross-border commuters	•	0	0	0	0

<u>c.</u> cross-border workers in occupations deemed as essential in a given crisis (could be e.g. health professionals, transport workers, agricultural workers)	•	©	©	©	•
<u>d.</u> cross-border service providers deemed as essential in a given crisis	•	0	0	0	0
e. all posted workers	•	0	0	0	0
<u>f.</u> posted workers in occupations deemed as essential in a given crisis	•	0	0	0	0
g. persons travelling for imperative family reasons	•	0	0	0	0

7.h Other? Please specify:

Legal clarifications for mobile employers and workers with regard to very different and hard-to-follow unilateral responses from the Member States are necessary. As fully harmonised EU binding measures are probably not a realistic objective, the role of the EU in a future crisis should be about securing early intervention in managing the crisis at EU level, based on a framework of enhanced coordination between the EU and the Member States.

8. for national authorities responsible for the Single Market

Please indicate the extent to which you believe that the following EU level coordination mechanisms are **necessary** to ensure effective coordination and information exchange on obstacles to free movement:

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
<u>a.</u> the Integrated Political Crisis Response Mechanism (IPCR)	0	0	0	0	0	0
<u>b.</u> the Single Market Enforcement Taskforce (SMET)	0	0	0	0	0	0
c. National Transport Contact Point Network under Green Lanes system	0	0	0	0	0	0
<u>d.</u> a new dedicated body for coordination and information exchange	0	0	0	0	0	0

	<u>d.</u> a new dedicated body for coordination and information exchange	0	0	0	0		0
8.d	please comment what specific	tasks su	ich a bod	dy should	have	:	
8.e	other existing fora such as Exp	pert Grou	ıps, plea	se specif	y :		

Availability of goods and services

By driving innovation and diversifying supply chains across Europe, the Single Market is a key asset in managing a crisis and strengthening the EU's economic resilience. However, the Single Market has also proved to be vulnerable to sudden internal and external disruptions in times of crisis. For example, the COVID-19 global crisis has shown that border closures and breaks in international integrated and not geographically diversified value chains can rapidly escalate, affecting citizens and businesses.

The COVID-19 crisis created a temporary surge in demand for certain products and services primarily in the healthcare sector, creating huge pressure on global supply chains, consequently leading to shortages of, for example, products or trained personnel. The shortage of semiconductors have also forced carmakers to slow down production significantly. Recent events, including Russia's invasion of Ukraine have created challenges for the supply of certain critical raw materials affecting end users, including consumers.

The Commission continues gathering information through various channels, including this public consultation, to understand better supply chain challenges including their causes and impacts.

<u>9.</u> Please indicate how often (if at all) over the past two years you have experienced any of the following difficulties when wishing to purchase **goods** (energy is outside the scope of this questions) ? for each :

	often	a few times	once or twice	never	do not know	not applicable
<u>a.</u> product not available for purchase	0	•	0	0	0	0
<u>b.</u> product available for purchase with a very high (at least 30%) price increase	0	•	0	0	0	0
c. product available for purchase with a high (at least 10%) price increase	0	•	0	0	0	0
<u>d.</u> product available for purchase with a very high delay in delivery	0	•	0	0	0	0
e. product available for purchase with a high delay in delivery	0	•	0	0	0	0

9.f other difficulty, please specify:

Giving a credible answer to this question requires a much more time-intensive analysis in order to distinguish purely crisis-invoked difficulties from other potential (structural) reasons. It may also be better addressed at company level, however BusinessEurope responds on the basis of evidence collected through its members.

10. if replying "often/a few times/once or twice" to question 9

Please indicate for which type(s) of goods you experienced problems related to availability (such as product not being available, or being available with a delay). Please tick all that are applicable:

at most i	12 choice(s)
<u>a.</u>	everyday consumer goods, such as food or hygiene products (but
ex	cluding food)
<u>b.</u>	household appliances
<u>C.</u>	electronic appliances
☑ <u>d.</u>	medical goods or personal protective equipment (PPE)
<u>e.</u>	critical raw materials, e.g. magnesium
<u>f.</u>	agri-food products
 g.	intermediate goods (parts or components of final goods) including electric
an	d electronic components
<u> </u>	steel
i.	industrial equipment such as machinery
V	mobility equipment e.g. vehicles
<u> </u>	chemical goods, e.g. fertilisers
V	construction materials including wood and cement

10.n Other? Please specify:

m. do not know/not applicable

see comment 9f.				
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11. if replying "often/a few times" to question 9

Please indicate the extent to which you think that the **shortages of goods** that you have experienced were caused or aggravated by any of the following reasons?

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
<u>a.</u> consequences of intra-EU disruption or imperfect functioning of the internal market	0	•	0	0	0	0
 b. consequences of COVID-19 related national or local restrictions (e.g. free movement restrictions in supply chain, closure of businesses) 	0	•	0	0	0	0
<u>b.</u> consequences of Russia's invasion of Ukraine	0	•	0	0	0	0

 c. supply chain disruptions due to structural issues, such as shipping bottlenecks, demand increases 	•	©	©	0	0	0
<u>d.</u> regulatory issues such as lengthy administrative procedures, e.g. permitting	0	0	•	0	0	0

11.e Other, please specify:

See comment 9f.			

12. Please indicate how often (if at all) over the past two years you have experienced any of the following difficulties when wishing to purchase **services**? for each:

	often	a few times	once or twice	never	do not know	not applicable
<u>a.</u> service not available for purchase	•	0	0	0	0	0
<u>b.</u> service available for purchase with a very high (at least 30%) price increase	•	0	0	0	0	0
c. service available for purchase with a high (at least 10%) price increase	•	0	0	0	0	0
<u>d.</u> service available for purchase with a very high delay in deliver	•	0	0	0	0	0
e. service available for purchase with a high delay in delivery	•	0	0	0	0	0

12.f. other difficulty, please specify :

See comment 9f. The answers to b) and c) on price increases are mainly based on the reports from the transport and logistics sector.

13. if replying "often/a few times/once or twice" to question 12

Please indicate for which type(s) of service(s) you experienced problems related to availability/access, e.g. due to confinement measures or business closures in certain sectors (please tick all that are applicable):

	(h)
at most S	Choice(s)
<u>a.</u>	retail/wholesale services
b.	maintenance or repair services of domestic products
<u>c.</u>	healthcare services
<u>d.</u>	hospitality services, such as restaurant or hotel services

- e. transport and logistics services
 f. industrial maintenance or repair services
 g. construction services
 h. financial services
- 13.j. other, please specify:

i. do not know/not applicable

engineering, equipment installation services. Also see comment 9f.

14. if replying "often/once or twice/a few times" to question 12

Please indicate the extent to which you think that the shortages of **services** that you have experienced were caused by any of the following reasons?

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
14.a consequences of internal market disruptions	•	0	0	0	0	0
14.b consequences of COVID-19 related local intra-EU restrictions (e.g. free movement restrictions, closure of businesses)	•	0	0	0	0	•
14.c consequences of Russia's invasion of Ukraine	0	0	0	0	•	0
14.d structural issues such as lack of (qualified) workers/service providers, skills mismatches, demand increases	0	•	0	0	0	0

14.e Other, please specify:

See also comment 9f. The questionnaire cannot precisely extrapolate what structural issues were key over the past 2 years, and SMEI initiative should not address these issues as a matter of principle.

16. for businesses

Please indicate how often (if at all) over the past two years you have experienced shortages of any of the following type of workers due to consequences of COVID-19 related restrictions or to structural issues?

	often	a few times	once or twice	never	do not know	not applicable
15.a transport workers such as truck drivers	•	0	0	0	0	0

15.b health professionals	•	0	0	0	0	0
15.c agricultural workers	•	0	0	0	0	0
15.d restaurant and/or hotel personnel	•	0	0	0	0	0

15.e Other, please specify:

Seasonal workers (not only in agri sector but also forestry that impacts wood/furniture industries, retail). See also the comment under q. 14e.

16. if replying "often/a few times/once or twice" to question 15

Please indicate the extent to which you think that the shortages of workers that you have experienced were caused by any of the following reasons?

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
16.a consequences of COVID-19 related local intra-EU restrictions (e.g. free movement restrictions, closure of businesses)	•	0	•	0	0	•
16.b consequences of Russia's invasion of Ukraine	0	•	0	0	0	0
16.c structural issues such as lack of (qualified) workers/service providers, skills mismatches, demand increases	•	0	0	0	0	0

16.d Other, please specify:

Russia's invasion of Ukraine has impacted a number of businesses directly. An example is the maritime sector, as many workers originate in Ukraine and Russia.

17. for businesses

Please indicate how often (if at all) over the past two years you have experienced any of the following consequences due to difficulties in purchasing goods and/or services?

	often	a few times	once or twice	never	do not know	not applicable
17.a lower production volumes	•	0	0	0	0	0
17.b delays in production	•	0	0	0	0	0

17.c lost business opportunities	•	©	0	0	0	0
17.d lost investment opportunities	•	0	0	0	0	0
17.e liquidity problems	0	0	0	0	•	0
17.f staff redundancies	•	0	0	0	0	0
17.g do not know/not applicable	0	0	0	0	0	0

17.h Other, please specify:

failures to meet contractual obligations (esp. for service providers)

17.i for businesses

Please provide any qualitative and/or quantitative information to explain your choice (s). Specifically, what would be the cost/burden for you and/or your organisation?

18. for businesses

Please indicate what types of measures (if at all) you have taken as a company to mitigate any negative effects over the past two years related to shortages in goods and/or services, e.g. due to the COVID-19 pandemic or Russia's invasion of Ukraine:

	yes	no	do not know	not applicable
18.a setting up of/updating company-internal contingency plans and/or risk assessments	•	0	0	0
18.b making use of alternative sources of supply	•	0	0	0
18.c tailoring/changing offer, e.g. by repurposing production lines	•	0	0	0
18.d storage or stockpiling, e.g. of critical raw materials necessary for production	•	0	0	0
18.e outsourcing	•	0	0	0
18.f none of the above/have not taken any	0	0	0	0

18.g Other mitigation measures, please explain :

Other mitigation measures that companies took, especially to address transport bottlenecks and rising costs, include the use of alternative routes and options, such as smaller vessels, different ports, multiple modes of transport.

19. for businesses

Based on your experience, please indicate to what extent:

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
19.a actions taken by companies and platform to limit the effects of the COVID-19 restrictions had a positive effect for your business	•	0	0	0	0	•

19.b Additional comments, please specify:

This question is better addressed at company level, however BusinessEurope responds on the basis of evidence collected through its members. Many crisis adjustment actions at company level prevented even more exits from business (bankruptcies).

Possible policy options, optional modules and their impacts

While resilience of the Single Market is the prime responsibility of the European industry, in the context of this initiative, the Commission will assess a number of possible policy options structured along two pillars operational in a specific phase (crisis preparedness and crisis response). The final inclusion of and precise contents of each pillar would be defined on the basis of the feedback received in the context of consultation activities and the impact assessment, and would include specific options to be combined for each crisis situation. The policy options could be based on optional modules e.g. targeted monitoring of identified strategic supply chains, module for mitigating measures or module for streamlined procedure for placing on the market products relevant for a certain type of crisis. Such modules are aiming at enhancing crisis preparedness and crisis response at the EU level to improve the EU's ability to anticipate, prepare for and respond future crisis affecting the Single Market. to any

To this end, the Commission will assess an option focused on non-legislative measures, a hybrid option combining legislative and non-legislative measures and a third option proposing a legislative framework with a broader range of crisis management measures.

In assessing the most appropriate policy options, the Commission seeks your views on the following optional modules.

20. Please indicate to what extent you believe that the following measures are adequate to anticipate disruptions and prepare for crises before they arise:

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
20.a targeted monitoring mechanism of supply chains through data gathered from						

economic operators to anticipate shortages affecting the smooth functioning of the Single Market	0	0	0	•	0	0
20.b regular risk assessment by industry	•	0	0	0	0	0
20.c regular risk assessment by Member States	•	0	0	0	0	0
20.d regular risk assessment by the Commission	•	0	0	0	0	0
20.e emergency training drills for national and EU experts	0	•	0	0	0	0
20.f promoting the reinforcement of the resilience of the EU economy through voluntary industry-driven initiatives	0	0	•	0	0	•
20.g promoting the reinforcement of the resilience of the EU economy through mandatory industry-driven initiatives	0	0	0	•	0	0

20.h if replying "to a great extent/to some extent/to limited extent" to question 20.a

How can we design a mechanism to identify these supply chains? What are the
supply chains that should be monitored today if any ?

21.1 if replying "to a great extent/to some extent/to limited extent" to question 20.a

Please indicate to what extent you believe that **to anticipate and prepare for** a crisis, the necessary information about identified supply chains should be provided by the industry as follows:

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
21.1.a to the Member States on a voluntarily basis	0	0	0	0	0	0
21.1.b to the Member States on a mandatory basis	0	©	0	0	0	0
21.1.c to the Commission on a voluntary basis	0	0	0	0	0	0
21.1.d to the Commission on a mandatory basis	0	0	0	0	0	0

21.2 for businesses replying "to a great extent/to some extent/to limited extent" to question 20.a

Please provide an assessment of the **impacts** (implementation costs/benefits) of the measure(s) you selected **in the above question** :

Implementation costs

Measure necessary information about identified supply chains should be provided by the industry:	none	very low	low	moderate	high	very high	do not know
21.2.a to the Member States on a voluntarily basis	0	0	0	0	0	0	0
21.2.b to the Member States on a mandatory basis	0	0	0	0	0	0	0
21.2.c to the Commission on a voluntary basis	0	0	0	0	0	0	0
21.2.d to the Commission on a mandatory basis	0	0	0	0	0	0	0

Benefits

Measure necessary information about identified supply chains should be provided by the industry:	none	very low	low	moderate	high	very high	do not know
21.2.e to the Member States on a voluntarily basis	0	0	0	0	0	0	0
21.2.f to the Member States on a mandatory basis	0	0	0	0	0	0	0
21.2.g to the Commission on a voluntary basis	0	0	0	0	0	0	0
21.2.h to the Commission on a mandatory basis	0	0	0	0	0	0	0

22. if replying "to a great extent/to some extent/to limited extent" to question 21.1.a & b

Please indicate if you believe that the information collected by the Member States on the identified supply chains :

	to a great extent	to some extent	to limited extent	not at all	do not know
22.a should be provided to the Commission on voluntary basis	0	0	0	0	0

22.b should be provided to the Commission on mandatory basis	©	©	©	0	•
22.c should not be provided to the Commission	0	0	0	0	0

<u>23.1</u> Please indicate to what extent you believe that **to respond to a crisis**, the necessary information about severely disrupted supply chains and ensuing shortages should be provided by the industry as follows:

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
23.a to the Member States on a voluntarily basis	•	0	0	0	0	0
23.b to the Member States on a mandatory basis	0	0	•	0	0	0
23.c to the Commission on a voluntary basis	•	0	0	0	0	0
23.d to the Commission on a mandatory basis	0	0	•	0	0	0

23.2 for businesses

Please provide an assessment of the **impacts** (implementation costs/benefits) of the measure(s) you selected **in the above question** :

Implementation costs

Measure the necessary information about severely disrupted supply chains and ensuing shortages should be provided by the industry:	none	very low	low	moderate	high	very high	do not know
23.2.a to the Member States on a voluntarily basis	0	0	0	0	•	0	0
23.2.b to the Member States on a mandatory basis	0	0	0	0	0	•	0
23.2.c to the Commission on a voluntary basis	0	0	0	0	•	0	0
23.2.d to the Commission on a mandatory basis	0	0	0	0	0	•	0

Benefits

Measure the necessary information about severely disrupted supply chains and ensuing shortages should be provided by the industry:	none	very low	low	moderate	high	very high	do not know
23.2.e to the Member States on a voluntarily basis	0	0	0	0	0	0	•
23.2.f to the Member States on a mandatory basis	0	0	0	0	0	0	•
23.2.g to the Commission on a voluntary basis	0	0	0	0	0	0	•
23.2.h to the Commission on a mandatory basis	0	0	0	0	0	0	•

24. if replying "to a great extent/to some extent/to limited extent" to question 23.1.a & b

Please indicate if you believe that the information about severely disrupted supply chains and ensuing shortages collected by the Member States on the identified supply chains:

	to a great extent	to some extent	to limited extent	not at all	do not know
24.a should be provided to the Commission on voluntary basis	•	0	0	0	0
24.b should be provided to the Commission on mandatory basis	•	0	0	0	•
24.c should not be provided to the Commission	0	0	0	•	0

25. if replying "to a great extent/to some extent/to limited extent" to question 20.a

Please indicate what the targeted information needed from industry should consist of in order to **anticipate and prepare for crisis** adequately:

	yes	maybe	no	do not know	not applicable
25.a information regarding their production capacities	0	0	0	0	0
25.b information regarding their current primary disruptions	0	0	0	0	0

25.c information regarding existing stocks of goods of potential relevance to that particular crisis	0	0	0	0	0
25.d information regarding their prices	0	0	0	0	0
25.e information regarding their supply chains	0	0	0	0	0
25.g any existing data necessary to assess the nature of the crisis or to identify and assess potential mitigation or emergency measures at national or Union level.	0	0	0	0	0

25.h Other? Please specify:	
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consist of in order to **manage a crisis** adequately:

<u> 26.</u>	Please indicate what the targeted information needed from the industry should

	yes	maybe	no	do not know	not applicable
26.a information regarding their production capacities	0	•	0	0	0
26.b information regarding their current primary disruptions	•	0	0	0	0
26.c information regarding existing stocks of goods of potential relevance to that particular crisis	0	•	0	0	0
26.d information regarding their prices	0	0	•	0	0
26.e information regarding their supply chains	0	0	•	0	0
26.f any existing data necessary to assess the nature of the crisis or to identify and assess potential mitigation or emergency measures at national or Union level.	0	0	•	0	0

26.g Other? Please specify:

All the above-mentioned types of information are commercially sensitive data. Strict safeguards of no (public) disclosure should apply.

27. Please indicate to what extent you believe that :

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
a strategic storage or stockpiling system for goods of key strategic importance, such as critical raw materials, is necessary to prevent and prepare for	©	©	•	0	0	•

disruptions to adequately manage a crisis			
?			

28. for businesses & Member States

How would you consider determining goods of key strategic importance and what are today the goods of key strategic importance ?

It is hardly possible to define "key strategic" or "essential/indispensable" goods or services due to the complexity of modern businesses. The definitions that are available, such as critical raw materials or critical infrastructure, are valid but the same approach may not be possible to apply to goods and services. In addition, what may be considered strategic in a given context, such as a pandemic, may not be considered strategic in another type of crisis, etc. At best, the criteria for such categorisation (not the definition) could possibly be reflected upon but it would be highly legally uncertain.

In relation to question 27, SMEI should not address stockpiling and strategic dependencies in general.

29. for businesses & Member States

	yes	no	do not know	not applicable
Does your organisation have a strategic storage or stockpiling system?	0	0	0	•

30. for businesses & Member States

	yes	no	do not know	not applicable
Do you consider that a strategic storage or stockpiling system, coordinated at EU level, could be an efficient solution to crises?	0	0	•	0

31. if answered "yes" to question 30

How do you consider that this strategic storage or stockpiling should be organised :

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
31.a market-led voluntary storage or stockpiling by industry	0	0	0	0	0	0
31.b mandatory storage or stockpiling by industry	0	0	0	0	0	0
31.c voluntary stockpiling by Member States' public bodies	0	0	0	0	0	0
31.d mandatory storage or stockpiling by Member States' public bodies	0	0	0	0	0	0

31.e EU level guidance on voluntary storage or stockpiling to be organised at national level, as appropriate (by public and/or private actors)	©	•	©	0	0	•
31.f storage or Stockpiling by an EU level body through joint procurement	0	0	0	0	0	0
31.g EU level guidance on rationing /redistributing stocks	0	0	0	0	0	0
31.h EU rules ("solidarity clause") for mandatory redistribution of stocks in view of supply and demand	0	0	0	0	0	0

31.i Other? Please specify:

SMEI should not address stockpiling and strategic dependencies in general. It should be focused on and safeguard the running of the Single Market (the four freedoms), so that it serves businesses and the society at large in dire times.

31.j for businesses

Please provide any qualitative and/or quantitative information to explain your choice (s). Specifically, what would be the cost/burden for you and/or your organisation?

SMEI by definition will be an interventionist instrument, so it should remain limited to keep the Single Market running and protect the four freedoms so they serve the Europeans in times of crises without disruptions. SMEI should be limited in scope to be effective.

<u>32.</u> Please indicate to what extent you believe that it is necessary to take the following measures at EU level for addressing obstacles to free movement in times of crises:

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
32.a providing key principles concerning crisis measures restricting the free movement of certain categories of goods as well as persons, workers and professionals	•	•	0	•	0	•
32.b conditions/mechanisms for drawing up key principles to determine products and/or services that are indispensable in the context of a given crisis and for facilitating their free movement	0	0	•	0	0	•
32.c setting out key principles to identify a blacklist of national measures restricting						

the free movement of goods, services and	0	•	0	0	0	0
persons incompatible with the particular						
crisis situation						

32.d Other? Please specify:

It is extremely uncertain how it is possible to define "certain" "indispensable" products and services without negative (unintended) consequences to the value chains and cross-border businesses in general. There are also high risks of omissions (e.g., a service "indispensable" but a representative of the personnel behind it might not be categorized like this, or the same professional might be seen differently in different circumtances, for example an engineer executing tasks on the construction site or, in other instance, at the nuclear plant). Legal certainty is key, therefore providing only "conditions/mechanisms for drawing up..." as indicated under 32b is not reassuring.

33. Please indicate to what extent you believe that the following actions regarding information sharing and/or notifications of national crisis measure could be an efficient solution to the crisis situations outlined in this questionnaire :

	to a great extent	to some extent	to limited extent	not at all	do not know	not applicable
33.a specific mandatory notification mechanisms for any national crisis measures restricting the intra-EU exportation of goods and restricting services provisions followed by flash peer review by the Member States and the Commission, during which adoption is suspended	•	©	©	•	0	•
33.b voluntary information sharing on national crisis measures by Member States	0	0	0	•	0	•
33.c require Member States to notify the national crisis measures and specific exemptions or special treatment that exist for recognised groups such as transport workers and service providers, health care workers, cross-border commuters etc. affecting the Single Market	•	•	•	•	0	•
33.d publish the summary of the national crisis measures on a dedicated EU website where citizens and businesses could acquire information about the national crisis measures	•	0	0	0	0	0

33.e set up information contact points at EU level where citizens and businesses could acquire further information about the EU and national crisis measures	0	•	•	0	0	•
33.f require Member States to set up information contact points at national level where citizens and businesses could acquire further information about the national crisis measures affecting the Single Market	•	•	©	©	•	©

33.g Other? Please specify:

Member States could use available infrastructure, such as the Points of Single Contact under various EU regulations, in each of those appointing a "crisis responsible person" and forming the necessary network.

33.h for Member States

Ple	ease provide any qualitative and/or quantitative information to explain your choice
(s).	. Specifically, what would be the cost/burden for you and/or your organisation?

34. Please indicate how efficient you believe the following measures are as regards the timely availability of critical products relevant to a crisis :

	highly efficient	somewhat efficient	neutral	somewhat inefficient	very	of no use	do not know
34.a streamlining EU product rules (such as mandatory conformity assessment and standards) and prioritising products' controls for a limited time, to enable a swift deployment of products of potential relevance to a crisis on the market	•	0	0	•	0	0	0
34.b ramping up production capacity, e.g. by repurposing or extending existing production lines on a voluntary basis	0	•	0	0	0	0	0
34.c ramping up production capacity, e.g. by repurposing or extending existing production lines on mandatory basis with governmental support including the possibility of speeding up permitting procedures at national level, as a measure of last resort when the supply of crisis-related goods does not meet the need to adequately manage a crisis	0	•	0	©	•	0	0
34.d targeted and coordinated distribution of products relevant for a certain type of crisis when there are dire shortages of crisis-relevant resources in times of crisis	0	0	•	0	0	0	0
34.e obligation on undertakings to accept and prioritise orders of goods and services relevant to a crisis in order to enhance their availability during a crisis	0	0	0	0	•	0	0

34.g for businesses

Please provide any qualitative and/or quantitative information to explain your choice (s). Specifically, what would be the cost/burden for you and/or your organisation?

Crisis situations also mean market demand spikes, whereby businesses react and adapt without "obligation on undertakings" to prioritise production. Consequences of such a radical intervention may be those, among others, related to liability or collapse of the business with consequent counter-effects, as the business in question was never ready for such a forced overhaul.

35. for national authorities responsible for the Single Market; for associations representing industry, businesses and professionals; for businesses, including SMEs; for academic experts on free movement in the Single Market

Please indicate what, in your view, would be an appropriate **definition** of a crisis to be contained by the Single Market Emergency Instrument

This requires a team of lawyers and a public consultation longer than the given 4 weeks.

Other comments, information or materials

<u>36.</u> The aim of the instrument should address all kinds of future crises affecting the functioning of the Single Market. What possible future crisis may the Single Market Instrument address?

The SMEI should not contradict, overlap or otherwise increase complexity of compliance with the NIS2 Directive on cyber-security, especially when it comes to large scale cyber incidents and the EU-Cyclone network as per the NIS2 Directive.

In general, the initiative should not aim at any specific list of crises and remain neutral in that respect.

37. If you wish to	o elaborate on any of your answers or if you wish to add comments
or information or	n anything else relevant to this initiative, please do so in the box
below.	

<u>38.</u> If you consider that certain materials/publications available online should be further considered in relation to this initiative, please describe them (including title, author) in the box below and include any relevant links:

BusinessEurope non-paper on SMEI of 11 May 2022 supports this contribution: https://www.businesseurope.eu/sites/buseur/files/media/position_papers/internal_market/2022-05-11_be_non-paper_on_smei_final.pdf

39. If you have additional information that you would like to share in a concise document such as a position paper, please add this below (this is optional and will serve as additional background to better understand your position):

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

90baa5a6-d6fb-4051-8348-bf331c693e5e/BE_non-paper_on_SMEI_final.docx

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