

3rd March 2020

Strengthening the economic base of the EU

Key messages for preparation of the March European Council

The March European Council is expected to “hold an overall discussion on strengthening the economic base of the EU, on the basis of a comprehensive contribution by the Commission.”

The EU needs to focus on improving its competitiveness, productivity and enabling value creation in all economic activities and strategic value chains that are crucial for sustainable growth and well-being. This requires strong political will and consistent cooperation from all institutions and the Member States.

The following key messages provides a joint contribution from *Austria, Czech Republic, Estonia, Finland, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden* in preparation of the upcoming European Council:

- To lead the transition to a competitive, fair, climate-neutral and digital economy European businesses and industries as well as consumers must be able to maximise the opportunities offered by the Single Market. **Strengthening and deepening the Single Market in all its dimensions is a precondition for industrial competitiveness and the success of the EU’s new Growth Strategy**, launched by the Green Deal.
- **A fair, open and competitive home market needs to remain a starting point for promoting the level playing field globally as well as within the EU.** This goes hand in hand with maintaining a strict and independent competition policy fit for the digital and climate transitions. To avoid distortions in the Single Market and to ensure a global level playing field, operators from third countries must compete under similar conditions and rules as their European counterparts. Moreover, the EU should maintain and develop the rule-based multilateral trading system that promotes open, fair and sustainable international trade.
- The EU’s role as a global leader will require continuous upgrading of its competences and performance. This calls for **consistent and fit for the future regulatory framework and policies that foster innovation and R&D, investment, competitive sustainability, skills and quality of jobs as well as reaffirms trust of business and consumer in digital development at the same time.** This way the EU will be able to set global standards and successfully meet the green, digital and technological transformation.
- As data is a key asset in future technologies and in the digital economy and society as a whole, **the EU needs to apply an ambitious, European values-based policy that fosters sharing, use and reuse of data** while ensuring interoperability and high level of data protection and

other fundamental rights. EU data policy should focus on sectoral approaches, especially in high-value added areas, and advance the development of key technologies such as artificial intelligence. The principle of free movement of data should also apply in relations to our trade partners.

- To foster economic prosperity and to remove fragmentation, it is necessary to take **concrete steps in building a well-functioning and truly borderless Single Market for services**. To facilitate cross-border business, a functioning European digital identity infrastructure should be developed. The future Digital Services Act and other forthcoming proposals should create new opportunities for European enterprises to grow and provide for an enabling framework for a well-functioning European digital services market. In addition, further deepening of the Capital Markets Union is essential to address the funding of the transition.
- Better implementation and enforcement should be considered more systematically during the entire legislative circle. **Enforcement of Single Market legislation is a joint task and the political ownership should be increased including establishing a Task Force for Enforcement of Single Market legislation. It is also important that remaining unjustified barriers are removed and we avoid creating new ones.** Businesses need tailored actions that meet the challenges in their specific sectors and value chains. Furthermore, we need to continue to promote an EU legal framework that ensures legal certainty, clarity and consistency. This is vital especially for small and medium- sized enterprises, which need the well-functioning single market as a platform to operate, scale up and expand.

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