



Valdis Dombrovskis  
Executive Vice-President for An Economy that Works for the People  
European Commission

Dear Executive Vice-President Valdis Dombrovskis,

Please accept our warmest congratulations on your appointment as Executive Vice-President for An Economy that Works for the People.

We would like to present you with some ideas and priorities, which we hope you will read with interest.

**A sustainable, fair and stable Single Market for financial services**

Developing an open, transparent and globally competitive European financial sector is key for European businesses' possibility to finance e.g. the transition to climate neutral productions and value chains.

We fully support your focus on further developing the EU-framework for sustainable investments. The European financial sector should continue to develop towards securing a leading position for the EU in promoting sustainable and responsible investments, enabling the financial sector to support sustainable growth and mobilizing the private investments necessary to decarbonize our economies. In this regard, we look forward to an ambitious green financing strategy. We also look forward to the Sustainable Europe Investment Plan and to discuss different options for strengthening the EIB's efforts on climate.

In addition, we believe that rebooting the Capital Markets Union can contribute to unlocking sustainable investments across borders. More integrated European capital markets could make it easier for European firms to obtain funding and thereby promote sustainable growth. The Capital Markets Union can also create better saving opportunities for households and generally promote private risk sharing, thereby making the economic and monetary union more stable.

A main priority for Denmark is to continue our fight against money laundering. It will take a sustained and determined effort both at national level and at EU-level. We therefore look forward to discussing how we can strengthen and intensify the cross-border cooperation and coordination. From our perspective, many initiatives are worth considering. The next steps could be to investigate the possibility to allocate special competences to an EU-body to fight money laundering and further harmonize the Single Rule Book throughout the EU by transforming parts of the anti-money laundering directive to a regulation.

We encourage the Commission to look into the potential of technology in assisting financial institutions in their fight against dirty money. We believe the development of technology can considerably help financial institutions in detecting dirty money, e.g. on KYC-procedures.

The implementation of the final Basel III standards in EU will mark an important step in our efforts to secure a robust and well-functioning financial system. However, the so-called output floor risks leading to a general reduction in risk sensitivity of capital requirements. Reduced risk sensitivity implies that institutions have incentives for increased risk taking, as the institutions can take on more risky exposures without corresponding increases in the capital requirements. We encourage an implementation of the Basel III standards that preserves the risk sensitivity of banking regulation and takes into account the special characteristics of well-functioning European credit institutions, as we have done in the past. We have confidence that you will work towards finding appropriate solutions in the upcoming proposal.

### **Towards a competitive and climate-friendly European industry**

European industry is a key player in restoring the EU's global competitiveness as well as fulfilling the Paris Agreement. The upcoming action-plan for industry should set a clear political direction with an emphasis on cost-effective and market-based measures that encourage businesses to make necessary investments needed for the transition to a competitive, circular and climate-neutral European industry.

Furthermore, we would encourage you to make sure that the work on Important Projects of Common European Interest (IPCEIs) related to strategic value chains contribute to achieve our climate and environmental objectives. Moreover, we should improve the transparency of IPCEIs by introducing ex-ante consultation. This will allow all Member States to easily participate and contribute.

There is also a need to re-think the future set-up for identifying strategic value chains. To this end, we need a new procedure for identifying, amending or phasing out strategic value chains. The procedure should maintain the original bottom-up approach characterizing the current Strategic Forum while ensuring political legitimacy and governance and directing initiatives towards major challenges such as climate change.

We also encourage you to lay down the pillars for a robust framework for secure, interoperable and trustworthy data sharing that can contribute to the green transition of industry. We should openly discuss how best to encourage and ensure more data sharing through a coherent European framework as the use of data is vital for European businesses if they are to be global frontrunners of the data economy.

Moreover, the European industrial sector is closely linked to and depends on a competitive and innovative Single Market. An effective implementation and enforcement are a key component towards making the Single Market both fairer and smoother for law-abiding businesses, consumers and workers. We need a firm and ambitious long-term action plan for better implementation and enforcement, containing concrete initiatives on how to improve the uniform implementation, application and enforcement of our common rules.

Regarding the new SME Strategy, we hope focus would be on the possibilities for SMEs, solutions to the challenges posed by climate change and rapid digitalization and ways to make it easier to scale-up and participate in European and global value-chains.

### **Sound public finances and consistent implementation of fiscal rules**

It is crucial that Europe avoids a new debt crisis. We have seen how quickly weak public finances can create or aggravate a crisis, undermining welfare and increasing unemployment, spreading rapidly across Europe. Those who have the least lose the most in an economic crisis.

Public finances are in many countries worse prepared for a new crisis today, with much higher debt level than before the crisis a decade ago. All Member States should respect our common fiscal rules and make sure that their own house and public finances are in order. The Commission and the Council should ensure consistent and transparent enforcement of the common rules. This is key for credibility and stable, low interest rates, which are preconditions for avoiding a new crisis and creating jobs and growth.

Not many years ago we finalised several significant and time-consuming reforms of our fiscal framework in view of the lessons learned during the crisis. We should now focus on implementing the agreed rules, rather than embarking on yet another reform. *If* a reform is initiated the overall objective should be to maintain the same average level of ambition we have now, and not permit higher deficits in general. Within the rules on deficits and debt, expenditure priorities is a national responsibility and not a matter for the common rules. The rules should not differentiate between more and less productive expenditure, as all expenditure is equally relevant for debt dynamics and market reactions.

Europe does not need weaker, but stronger, public finances in order to realise our political priorities and tackle the challenges of today and the future.

### **Social dialogue at European level and minimum wage**

We are very happy to note your continued strong dedication to the important issue of social dialogue at European level.

Including the views of the social partners is key for designing labour market policies and initiatives that reflect the diversity of the European labour markets. The experience and knowledge of the social partners can also contribute to ensuring European labour market regulation that works in practice and increase the public support for these initiatives.

Denmark supports a social and fair Europe including the aim to ensure that every worker in the EU has an adequate living income when working full-time. It is essential that all Member States have labour market models which ensure a decent living.

In order to exploit the full potential and legitimacy of a forthcoming proposal on minimum wage, the right balance between a need for common guidelines, national competences and enforcement must be struck.

Therefore, we very much welcome the assurances given by the Commission of respect for systems based on collective bargaining, i.e. that any future initiative on minimum wage will not interfere with labour market models where wages are regulated by collective agreements.

Yours sincerely,

Simon Kollerup,  
Minister for Industry, Business and Financial Affairs

Nicolai Wammen,  
Minister for Finance

Peter Hummelgaard Thomsen  
Minister for Employment