



COMPETITIVENESS COUNCIL

Brussels, 30 November and 1 December 2015

On 30 November, the session will be devoted to internal market and industry policy.

The second edition of the "**competitiveness check-up**" will allow ministers to put forward priorities and to respond to urgent issues and developments in the **real economy**. The debate will focus on the link between internal market integration and the **competitiveness of the EU in the global markets**.

As a part of the check-up, the Presidency will also present a report on the implementation of **competitiveness mainstreaming**. Mainstreaming is about making sure that initiatives across the different EU policy areas take into account the impact on competitiveness.

The Council will discuss the **new strategy for the single market** in goods and services for the first time.

Over the working lunch, ministers will discuss how to make use of the new **better regulation** agenda to improve the functioning of the single market and to create growth.

The meeting will continue with a debate on a Commission recommendation to establish a system of national **competitiveness boards**. Ministers will also be given an update on **car emissions** testing and the measures taken at EU and national levels.

An informal meeting of ministers in charge of space policy from the EU and the European Space Agency member states (**informal "Space Council"**), will be organised in the margins of the Competitiveness Council.

On 1 December, the session will be devoted to innovation and research policy.

In a public session, the Council will be invited to adopt three sets of conclusions: on **research integrity**, on advancing **gender equality in the European Research Area** (ERA) and on the review of the **ERA advisory structure**.

Moreover, ministers will exchange views on how to make the best possible use of the **European Fund for Strategic Investments** to stimulate research and innovation.

During the working lunch they will examine how to strengthen links between the **European Research Area and the European Higher Education Area**.

¹ This note has been drawn up under the responsibility of the press office.

The internal market / industry session will be chaired by [Etienne Schneider](#), Deputy Prime Minister and Minister for Economic Affairs, Internal Security and Defence of Luxembourg.

The innovation / research session will be chaired by **Marc Hansen**, Secretary of State for Higher Education and Research of Luxembourg.

Press conferences:

Monday 30 November on internal market and industry policy: at +/- 17.00.

Tuesday 1 December on innovation and research policy: at +/- 13.30.

Press conferences and public events by video streaming: <http://video.consilium.europa.eu>

Video coverage in broadcast quality (MPEG4) and photo gallery on: www.eucouncil.tv

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INTERNAL MARKET and INDUSTRY

Competitiveness check-up: mainstreaming of competitiveness across all EU policies

The second edition of the "competitiveness check-up" will allow ministers to put forward priorities and to respond to urgent issues and developments in the real economy.

It will include an exchange of views on the relationship between the internal market integration and the competitiveness of the EU in the global markets, on the basis of a presentation by the Commission.

The check-up will also include the presentation of a [Presidency report](#) on the state of play and perspectives of the competitiveness mainstreaming, which is a process that seeks to ensure that initiatives across the different EU policy areas have a positive impact on competitiveness.

The report gives an overview of the work carried out under the Luxembourg presidency and puts forward recommendations as to how competitiveness mainstreaming could be further improved in the future.

Moreover, the Presidency will present an indicative, non-exhaustive list of current and upcoming initiatives that are likely to have a significant impact on competitiveness, including initiatives dealt with by other Council formations. Its objective is to provide ministers with an informal overview of key files for competitiveness mainstreaming.

The "competitiveness check-up" was launched by the Luxembourg Presidency on 1 October. With the first edition it established a new working method aimed at improving the role of the Competitiveness Council as regards the analysis of horizontal and sectoral economic issues as well as the monitoring of competitiveness mainstreaming. In practice, it is based on a presentation by the Commission on the latest figures and trends related to micro-economic issues, with ministers being invited to respond and provide input on possible implications for EU companies and citizens.

The new working method was announced by the Presidency at the [informal ministerial meeting on competitiveness](#) held on 20 July in Luxembourg.

The objective of mainstreaming competitiveness in other relevant policy areas is to ensure that the impact on the competitiveness of the European economy is better taken into account when implementing EU rules and developing new policy initiatives, with a view to creating sustainable economic growth and jobs.

It is in line with the September 2014 conclusions, in which the Competitiveness Council committed to carrying out in a more structured and more systematic manner its mandate to examine all relevant proposals that have a substantial effect on competitiveness.

Single market strategy for goods and services

The Council will hold a debate on the new [single market strategy](#) for goods and services.

It has been a top priority for the Luxembourg Presidency to start the examination of the new strategy within the Council preparatory bodies straight away.

Given the broad scope of the strategy, the Presidency will suggest focusing the ministerial debate on those aspects aimed at helping businesses, in particular SMEs and micro-enterprises, to scale up their activities.

On the basis of a [Presidency discussion paper](#), ministers will be invited to express views on the following questions:

- *What actions within the single market strategy are in your view essential in helping create a predictable and future-proof framework that allows businesses to scale up and seize all the opportunities of the single market? And how should these actions be designed so as to ensure that these objectives are reached?*
- *In addition to the actions identified in the single market strategy, what other initiatives should be considered at EU level to achieve a fully functioning single market?*

The Presidency paper argues that innovation and global value chains are generating major new opportunities. Digital technologies are transforming many industrial sectors, leading to more efficient production and innovative business models.

But it also acknowledges that the single market is only delivering a fraction of its potential. According to an in-depth analysis commissioned by the European Parliament, reducing existing barriers could bring an economic benefit of about 7.5% of the EU's GDP².

The overall objective of the strategy is to eliminate the remaining economic barriers from the single market. These barriers tend to limit consumer choices and to impede the emergence of new business models, thus limiting innovation and job creation.

Therefore, the actions included in the strategy for the internal market deal with three main areas:

- creating opportunities for consumers, professionals and businesses,
- encouraging and enabling modernisation and innovation,
- ensuring results that benefit consumers and businesses in their daily lives. To this end the strategy includes a roadmap for the years 2016 to 2018.

This strategy, which was released by the Commission on 28 October, is complementary to efforts made in other areas to ensure economic prosperity, job creation and Europe's attractiveness for investments, such as the digital single market, the internal market for energy, labour mobility, the capital markets union, the circular economy package, the new "Trade for All" strategy and the better regulation agenda.

Last March, the Council adopted [conclusions on single market policy](#). Among other things, they state the need to ensure that new legislation is made fit for the digital age and addresses all possible ways in which digital solutions can reduce burdens for citizens and businesses.

² [Mapping the Cost of Non-Europe - June 2014](#)

Better regulation: improving the functioning of the single market

The Council will exchange views on how to make use of the new better regulation agenda to improve the functioning of the single market and to create growth by reducing the cost of non-Europe.

The Presidency will present a [background paper](#) to frame the debate and will invite ministers to express views on the following questions:

- *How can we make use of the Commission's new better regulation agenda, and in particular the REFIT³ programme, to improve the functioning of the single market and to create growth?*
- *To achieve this, what is the first concrete priority action that should be implemented?*

For example:

- *A more in-depth analysis of national law and the implementation of EU legislation, in particular of those measures that can cause barriers to the single market?*
- *Making more use of targeted harmonisation and/or mutual recognition clauses in EU regulation to reduce regulatory burden for businesses and to increase legal certainty?*
- *Other actions?*

The questions are directly related to the urgent need to take the necessary measures to unleash the growth potential of the single market. The Presidency paper elaborates on the benefits of applying a fresh regulatory approach backed up by a strong political commitment. Furthermore, EU rules should provide real added value and help businesses to expand their activities.

The new [better regulation agenda](#), published on 19 May 2015, sets out an ambitious programme to make EU rules more efficient and fit for purpose. The achievement of stronger growth through more intelligent and less burdensome EU regulation is a key component of this agenda.

These objectives match the two overall priorities of the Luxembourg Presidency:

- 1) increasing EU added value through initiatives that produce tangible benefits for European citizens and businesses
- 2) mainstreaming competitiveness across all policy areas through consistent and mutually reinforcing policies.

Better regulation principles are aimed at making life easier for citizens and companies, in particular SMEs, by simplifying the legal framework, reducing regulatory burdens across the single market and increasing regulatory predictability.

³

[REFIT](#) is the Commission's Regulatory Fitness and Performance programme to make EU law simpler and to reduce regulatory costs, thus contributing to a clear, stable and predictable regulatory framework supporting growth and jobs.

National competitiveness boards in the euro area

The Council will exchange views on a [Commission recommendation](#) on the establishment of national competitiveness boards within the euro area.

In order to structure the debate, the Presidency will present a [background paper](#) with a questionnaire.

The outcome of the debate will feed into upcoming discussions on strengthening the economic and monetary union.

The objective of the recommendation is to set up national competitiveness boards to monitor performance and policies in the field of competitiveness, thereby helping to foster sustained economic convergence and to increase ownership of the necessary reforms at national level.

The recommendation is addressed to the euro area countries but it also encourages non-euro countries to set up similar bodies.

According to the proposal, the competitiveness boards would be independent from ministries or public authorities, with the aim of ensuring that their advisory role adequately reflects the general interest.

The Commission recommendation stems from the "[Five Presidents' report](#)" published in June 2015, in which the presidents of the European institutions (Commission, European Council, Eurogroup, European Central Bank and European Parliament) set out plans to deepen economic and monetary union.

RESEARCH and INNOVATION

In a public session, the Council will be invited to adopt conclusions on three priority topics included in the Luxembourg Presidency work programme, which are deemed essential for the completion and implementation of the European Research Area (ERA):

- the promotion of responsible behaviour and integrity in research activities
- the promotion of equal opportunities in research to achieve a better male-female balance
- the establishment of an efficient and streamlined structure for the governance of the ERA

Preliminary discussions on the first two topics took place at the [informal meeting of research ministers](#) held in Luxembourg on 21 July.

• Research integrity

The conclusions will highlight the need to respect fundamental ethical principles and integrity in EU research and innovation activities.

Among other things, the conclusions will address the need to consider research integrity a prerequisite for achieving excellence in research, as well as the damaging socio-economic impact of research misconduct and ways to prevent it.

Furthermore, the conclusions will flag up the principles listed in the “[European code of conduct for research integrity](#)” developed by the European Science Foundation (ESF) and All European Academies (ALLEA).

The 2005 Commission recommendation on the [European charter for researchers](#) sets out the basis for researchers and research organisations to act responsibly in their working environment.

• Gender equality

The conclusions will deal with a number of key measures that will help to ensure a level playing field for women and men in research and innovation, with the aim of allowing Europe to fully exploit its labour force and talent pool, thereby helping to increase competitiveness and contributing to growth and job creation.

These will include encouraging the member states and the Commission to set ambitious goals on gender equality and to implement concrete measures in their action plans or strategies by mid-2016, in line with the conclusions adopted on 29 May 2015 on the ERA roadmap for 2015-2020. In these conclusions, the Council called for the inclusion in national legislation of effective measures to address gender imbalances in research institutions and decision-making bodies, and for better integration of the gender dimension in research and innovation policies, programmes and projects, in line with the ERA roadmap.

The conclusions will also invite research funding organisations to provide incentives to encourage research performing organisations, including universities, to revise or develop gender mainstreaming strategies, and gender equality plans and mobilise adequate resources to ensure their implementation.

Furthermore, the Council will stress the need to strive for gender balance in leadership and decision-making positions.

- **ERA governance**

The conclusions will reform the ERA advisory structure to render it more efficient and effective for the implementation of the ERA.

To this end, the number of groups with an advisory role⁴ will be limited to the ERA priorities agreed by the Council. The responsibility of these groups for the implementation of the ERA and its 2015-2020 roadmap will be as follows:

- Priority 1: More effective national research systems (ERAC)
- Priority 2a: Optimal transnational cooperation and competition (GPC)
- Priority 2b: Research infrastructures (ESFRI)
- Priority 3: Open labour market for researchers (SGHRM)
- Priority 4: Gender equality and mainstreaming in research (HG)
- Priority 5: Optimal circulation, access to and transfer of scientific knowledge (a new group with a broader mandate replacing the former ERAC Working Group on Knowledge Transfer)
- Priority 6: International cooperation (SFIC)

The conclusions are also expected to reaffirm the coordinating role of the ERAC as a strategic advisory committee that can give the overall advisory structure greater coherence. Its mandate will be updated accordingly.

An assessment of the functioning of the new ERA advisory structure will be carried out no later than in the first half of 2018.

Last May, the Council adopted [conclusions](#) acknowledging the need for a more efficient and effective advisory structure for the implementation of the ERA.

⁴ The ERA-related groups currently include the European Research Area and Innovation Committee (ERAC), the European Strategy Forum on Research Infrastructures (ESFRI), the Strategic Forum for International Science and Technology Cooperation (SFIC), the High Level Group on Joint Programming (GPC), the Helsinki Group on Gender in Research and Innovation (HG), the ERA Steering Group on Human Resources and Mobility (SGHRM) and the ERAC Working Group on Knowledge Transfer (KT). The ESFRI has an additional strategic role beyond that relating to the ERA and the ERA roadmap, which is not covered in these conclusions.

European Fund for Strategic Investments to stimulate research and innovation

Ministers will exchange views on how the [European Fund for Strategic Investments](#) (EFSI) can better be used to stimulate research and innovation.

The EFSI aims to overcome current market failures by addressing market gaps and mobilising private investment. It will support strategic investments in key areas such as infrastructure, education, research and innovation, as well as risk finance for small businesses.

One of the key features of the EFSI is its focus on investments in the real economy, so as to help to create growth and jobs.

A lack of investment, which has been particularly severe in those countries most affected by the crisis, has slowed down economic recovery and negatively affects job creation, long-term growth prospects and competitiveness, and may put at risk the objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth. There is a need to increase the attractiveness of investing in Europe and in the infrastructure of a modern knowledge economy.

The EFSI is also designed to include investment projects which strengthen the EU's scientific and technological base and result in benefits for society, as well as better exploitation of the economic and industrial potential of policies on innovation, research and technological development, including research infrastructure, and pilot and demonstration facilities.

OTHER BUSINESS

The Council will take note of information on several subjects, including:

- **SOLVIT**

The Portuguese delegation will brief the Council on the outcome of a conference on [SOLVIT](#).

SOLVIT is a European network that was set up in 2002 to try and find pragmatic online solutions to problems arising between citizens or companies and public administrations due to incorrect or inaccurate application of legislation on the internal market.

- **SME envoys network**

The Commission will provide information on the [SME envoys network](#).

- **Firearms**

The Commission will brief the Council on plans to tighten controls on the acquisition and possession of firearms in the internal market by means of a revision of the [EU firearms directive](#).

- **Car emission tests in real driving conditions**

The Commission will provide information on the state of play regarding the ongoing work to achieve an efficient and reliable system of car emission tests.

On 10 November 2015, the Council gave a green light to the adoption of the [first package of rules on real driving emission](#) (RDE) tests to measure the pollutant emissions of light vehicles.

- **Territorial supply constraints in BENELUX**

In the margins of the Council, the BENELUX countries (Belgium, the Netherlands and Luxembourg) will sign a recommendation on territorial supply constraints that distort the internal market.

- **Higher education and research**

At an informal working lunch, ministers in charge of research policy will examine how to strengthen links between higher education and research.

- **Instruments in the field of research policy: RESAVER – Science4Refugees – SCAR**

The Commission will provide information on the:

- Retirement Savings Vehicle for European Research Institutions ([RESAVER](#))
- [Science4refugees](#) initiative
- Standing Committee on Agricultural Research ([SCAR](#)) foresight report.

- **EU-ESA (European Space Agency) ministerial meeting**

In the margins of the Council, the Presidency will organise an informal joint ministerial meeting between the EU and the ESA (informal 'Space Council').

Luxembourg was elected to co-chair the ESA together with Switzerland for the period 2012 to 2015.