Council of the European Union

PRESS

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BACKGROUND[1]
Brussels, 28 September 2015

COMPETITIVENESS COUNCIL
Luxembourg, 1 October 2015

Ministers for competitiveness will hold debates on two areas aimed at establishing more **competitive framework conditions for businesses** and at making the most out of **European added-value** by means of an improved and coordinated regulatory approach:

- the competitiveness "check-up", about the most recent trends and urgent issues regarding the real economy
- the "better regulation" agenda, in particular the way in which better regulation tools can be used to improve the functioning of the internal market.

The “Competitiveness Check-up” is a new working method introduced by the Luxembourg Presidency to address the most pressing issues affecting the real economy. It will be based on a presentation by the Commission about the latest figures and trends as regards micro-economic issues. Ministers will also express views on priorities on the mainstreaming of competitiveness throughout all relevant policies. The aim is to ensure that the **impact on the competitiveness** of the European economy is properly taken into account when implementing EU rules and developing new policy initiatives, with a view to creating **sustainable economic growth and jobs**.

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. The focus of the Council's debate will be how to make use of the new better regulation agenda to improve the functioning of the single market on the ground and to create growth by reducing the cost of non-Europe.

The Council meeting will end with a lunch debate on the reform of the European Emissions Trading System (“EU ETS”). The objective of the debate is to allow ministers for economic affairs to be involved in this crucial file for EU competitiveness. To stimulate the discussion, the Presidency has invited Jean-Pierre Clamadieu, CEO of SOLVAY and President of CEFIC, and Markus J. Beyrer, Director General of BusinessEurope, to present the business perspective on the reform of EU ETS.

The second half of the lunch will be devoted to take stock of recent developments concerning the automotive sector.

In the margins of the Council, the Presidency will organise the signing ceremony of a protocol concerning the application of the Agreement of the Unified Patent Court.

The session will be chaired by **Etienne Schneider,** Deputy Prime Minister, Minister for Economic Affairs, Internal Security and Defence, of Luxembourg.

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

Press conference: Thursday 1 October at +/- 15.30.

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

With the first edition of the "Competitiveness Check-up", the Luxembourg Presidency launches 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.

To this end, the ministerial discussion will be two-folded:

- a debate about the latest economic trends and figures. The debate will be based on a presentation by the Commission, which will focus on micro-economic issues – the core business of the Competitiveness Council, and
- a debate on competitiveness mainstreaming, on the basis of a list of EU initiatives that have a potential impact on competitiveness.

The content of the "Check-up" will be made broad and flexible so as to allow ministers to respond to urgent issues, at national and European level, and the most recent developments in all areas of the real economy.

The objective of mainstreaming competitiveness in other relevant policies 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.

In order to facilitate the debate, the Presidency will draw up 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 outcome of the debate will allow the Presidency to prepare a report to be forwarded to the Competitiveness Council on 30 November.

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

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

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 (estimated at €1.6 trillion by the EP[2]).

The Presidency will put forward 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 REFIT[3] 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 the application of a fresh regulatory approach with the support of a strong political commitment. Furthermore, EU rules should provide a real added value and help businesses 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, less burdensome EU regulation is a key component of this agenda.

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

1) maximising EU added value through initiatives, including of a regulatory nature, that produce tangible benefits for European citizens and businesses, and

2) mainstreaming competitiveness across all policy areas through consistent, mutually reinforcing policies.

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.

The Commission is expected to present a new single market strategy as soon as possible in the second half of 2015.

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[2] http://epthinktank.eu/2015/04/16/mapping-the-cost-of-non-europe-2014-19-third-edition-april-2015/

[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.

OTHER BUSINESSES

The Council will take note of information regarding several subjects, which will include:

- Unitary patent protection system

The Council will take note of updated information on how the implementation of the unitary patent protection system is progressing.

In the margins of the Council, the Presidency will organise the signing ceremony of a protocol to the agreement of the Unified Patent Court (UPC).

The protocol to the UPC agreement will allow for the provisional application of institutional, organisational and financial provisions of the agreement six months before the agreement enters into force.

The unitary patent protection package will enter into force when thirteen participating countries (including France, Germany and the United Kingdom) will have ratified the UPC agreement. Eight countries have up to now ratified the agreement to establish the new court.

The UPC agreement was signed on 19 February 2013.

- Accounting directive

The Council will take note of developments in the field of transparency reporting requirements for the extractive industries under the EU's Accounting Directive.

- EU-ESA (European Space Agency) ministerial meeting

The Presidency will brief the Council on preparations for the upcoming 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.