



Council of the European Union

PRESS
EN

BACKGROUND BRIEF¹
Brussels, 22 February 2022

Competitiveness Council **Brussels, 24 February 2022**

The first Competitiveness Council meeting under the French presidency will take place on 24 February, starting at 9.30. The meeting will be attended by the ministers responsible for the internal market and industry, and chaired by **Agnès Pannier-Runacher**, Minister with responsibility for industry, and **Olivia Grégoire**, Minister of State with responsibility for the social, solidarity and responsible economy. The European Commission will be represented by Executive Vice-President **Margrethe Vestager**, **Maroš Šefčovič**, Vice-President responsible for Interinstitutional Relations and Foresight, **Thierry Breton**, Commissioner for the Internal Market and **Didier Reynders**, Commissioner for Justice.

Ministers will hold a policy debate on the **regulation on foreign subsidies** distorting the internal market.

After lunch, ministers will hold a policy debate on **the future of the industrial mobility ecosystem** in the context of the green transition.

A series of information items under 'any other business' includes information from the presidency on the **common charger** and **critical raw materials**. The European Commission will inform ministers about the regulation on semiconductors – the **European Chips Act** – and the **EU strategy on standardisation**.

Ministers will then be asked to adopt a general approach on the proposed **corporate sustainability reporting directive** (CSRD).

Finally, the European Commission will present its legislative proposal on sustainable corporate governance and due diligence.

A final press conference will take place at +/- 17:50.

Press briefing: Tuesday 22 February at 14.00 (JUSTUS LIPSIUS press room)

Press conference: Thursday 24 February at around 17.50 (JUSTUS LIPSIUS press room)

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

* * *

[Competitiveness Council meeting page](#)

[Press conferences and public events by video streaming](#)

[Video coverage in broadcast quality \(MPEG4\) and photo gallery](#)

* * *

INTERNAL MARKET AND INDUSTRY

Foreign subsidies

Ministers will hold a public policy debate on the regulation on foreign subsidies distorting the internal market.

The proposal was presented by the Commission on 5 May 2021 ([8576/21](#)). It aims to correct the effects of distortion on the single market from subsidies granted by public authorities in a third state to undertakings carrying out an economic activity in the internal market.

At present there is no EU instrument that addresses the distortions caused by foreign subsidies, while subsidies granted by member states are subject to a system of state aid control.

The proposal therefore aims to fill this legal gap and should also be seen as a tool to level the playing field for all companies operating in the single market which are supported either by an EU member state or by a third country.

This file is a priority for the French presidency, which presented a first compromise text in early 2022. In general, the member states agreed with the need for and aim of this instrument. The French presidency aims to reach a general approach on the proposal before the end of its term.

The presidency has prepared a background document ([5825/22](#)) with the following questions to guide the ministers' discussion:

1. *Do you agree with the European Commission that there is a legal vacuum in terms of instruments for combating distortions caused by foreign subsidies and, consequently, that it is necessary to adopt the proposal for the regulation and for it to enter into force as soon as possible?*
2. *Do you agree with the overall scheme of the instrument proposed by the European Commission?*
3. *Do you agree to the European Commission implementing the instrument centrally for the purpose of facilitating its harmonised implementation in the internal market?*

Semiconductor package (Chips Act)

The European Commission will inform ministers about the semiconductor package, or 'Chips Act', which was presented on 8 February. The package aims to ensure EU security of supply, resilience and technological sovereignty in the field of semiconductor applications and technologies.

The semiconductor package is of paramount importance for the Competitiveness Council and could appear on the agenda again for a forthcoming Competitiveness Council meeting.

[Communication from the European Commission entitled 'A Chips Act for Europe'](#)

Common charger

The presidency will inform ministers in public session about the negotiating mandate adopted by the Council's Permanent Representatives Committee on 26 January ([5456/22](#)) on the Commission proposal for a common charger for radio equipment.

The aim of this proposal is to establish a common standard port for all smartphones, tablets, digital cameras, headphones, portable speakers and video game consoles. Moreover, when purchasing one of these devices, it will no longer be necessary to purchase a new charger, which will reduce electronic waste in the EU.

Negotiations with the European Parliament can start once Parliament has adopted its position.

[Mandate for negotiations with the European Parliament](#)

Standardisation strategy

Under any other business, the European Commission will present to ministers the new EU standardisation strategy, which was unveiled on 2 February 2022. The strategy proposes standards that should ensure the interoperability of products and services, reduce manufacturing costs, improve safety and foster innovation. The main objective of the strategy is to secure the EU's position as a global standard-setter.

The aims of the strategy are: to act on standardisation urgencies, to use a new high-level forum, to launch a process of reviewing existing standards, to establish an EU excellence hub on standards, and to work with the European standardisation organisations on solutions to speed up the development of European standards.

[European Commission proposal on European standardisation](#)

Critical raw materials

Under any other business, the presidency will brief ministers on the topic of critical raw materials. This topic was discussed during the informal meeting of ministers for industry and for the internal market on 1 February, where ministers talked about ways to secure supplies of critical raw materials for industry in the context of strengthening European strategic autonomy.

[Presidency note on critical raw materials](#)

Industrial mobility ecosystem

The Competitiveness Council has an important role to play in providing guidance for the green transition. Ministers will therefore hold a debate on the future of the industrial mobility ecosystem in the context of the green transition.

The industrial mobility ecosystem is important for Europe's economy and employment in Europe. It covers the entire industrial value chain of the automotive, rail and inland waterway industries, as well as related retail and water-borne and land transport services. It employs 14.6 million people and accounts for 7.5 % of EU added value (EUR 906 billion). It comprises 1.8 million enterprises, 99.7 % of which are small and medium-sized enterprises (SMEs).

This ecosystem is currently facing various challenges, such as the shortage of semiconductors and in terms of the efforts required to undertake transformations in the areas of digitalisation, decarbonisation and pollution reduction.

Ministers will hold a policy debate to better understand the specific concerns and challenges regarding the scale, cost, long-term benefits and conditions of the actions required to support the transition of the mobility ecosystem.

On the basis of a note from the presidency ([5789/22](#)), Member States will be invited to reflect on:

- the investment needs related to the industrial transformation for the mobility sectors, in particular the automotive sector;
- the measures required to facilitate and accelerate the green transition;
- the levers to strengthen the future competitiveness of the mobility ecosystem, in particular the development of electric and autonomous vehicles and secure access to critical raw materials.

A first policy debate on the 'fit for 55' package from an industrial competitiveness perspective was held on 29 September 2021. On 26 November 2021, a debate was held on the contribution of research and innovation to achieving cross-sectoral objectives.

Corporate sustainability reporting (CSRD)

The Council will be invited to adopt a general approach on the proposal for a corporate sustainability reporting directive (CSRD).

The main aims of the proposal are:

- to extend the scope of the reporting requirements to additional companies, including all large companies and companies listed on a regulated market (except listed micro-companies);
- to require assurance of sustainability information;
- to specify in more detail the information that companies should report, and require them to report in line with mandatory EU sustainability reporting standards;
- to ensure that all information is published in a dedicated section of companies' management reports.

The main changes to the text compared to the European Commission's initial proposal concern the scope, the proportionality of reporting requirements, for all companies and more specifically for SMEs (only listed SMEs are subject to a reporting obligation), the design of the process to set standards that will flesh out the disclosure requirements, the audit of the sustainability report, the treatment of subsidiaries (in particular the language regime when their parent company is established in a third country) and the adjustment of implementation deadlines.

The European Commission transmitted the proposal to the Council on 21 April 2021 ([8132/21](#)). Discussions in the Council started on 7 June 2021 under the Portuguese presidency. A total of 14 working party meetings took place. A third compromise text was presented to the Permanent Representatives Committee on 16 February 2021, where a large majority of delegations supported the text.

The general approach reached will be the basis for negotiations with the European Parliament, which are scheduled to start under the French presidency.

[General approach on the directive on corporate sustainability reporting](#)
[Proposal on corporate sustainability reporting](#)

Sustainable corporate governance and due diligence

Under 'any other business', the European Commission will brief ministers on its legislative proposal on sustainable corporate governance and due diligence.
