



Competitiveness Council Brussels, 7 March

Internal market and industry

The Council meeting will start at 09:30 and close, after a working lunch, at 16:00.

Ministers from the Belgian presidency will chair the sessions depending on the subject on the agenda. The Council will start with a policy debate on the review of the late payment directive. It will be followed by an exchange of views on the 2024 annual single market and competitiveness report. Under AOB, ministers will be informed on the progress made with regard to various legislative proposals (the forced labour ban regulation, the corporate sustainability due diligence directive and the single market emergency instrument), the European Agenda for Tourism 2030, the updated strategy for the maritime sector at European level, possible measures to address medicine shortages and on state aid rules for long-term competitiveness. During the informal lunch, ministers will discuss the future of EU industrial policy.

The Council will conclude with a press conference led by the Flemish Minister for Economy, Innovation, Work, Social Economy and Agriculture, Jo Brouns, and Internal Market Commissioner, Thierry Breton.

First chair: David Clarinval, Belgian Deputy Prime Minister and Minister for Small Businesses, the Self-Employed, SMEs and Agriculture, Institutional Reform and Democratic Renewal

Press conference: Thursday 7 March at +/- 16:15 (Justus Lipsius main press room)

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[Competitiveness Council \(Internal market and industry\) – meeting page](#)

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

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

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¹ This note has been drawn up under the responsibility of the Press Office.

Late payment directive – Discussions on the advancement of works

Ministers will discuss the proposal for the revision of the directive on combating late payments in commercial transactions (the now 'late payment regulation'). This session will be public.

The proposal forms part of the 'SME relief package', a series of initiatives presented by the Commission on 12 September 2023 to address the main needs of small and medium-sized enterprises in the current economic environment.

One of the main problems that SMEs are currently facing is frequent payment delays from administrations or from other companies. The proposal introduces a strict maximum payment limit of 30 days.

Every year, around 18 billion invoices are issued in the EU (amounting to more than 500 per second). Goods and services are often supplied on deferred payments: the supplier allows customers some time to settle the invoice after the goods or services are delivered. Payments made after the period agreed in the contract are considered late payments.

One of the main problems surrounding late payments is the asymmetry in bargaining power between a large client (public or private) and a smaller supplier. This often results in the supplier having to accept unfair payment terms and conditions, which for the debtor is an attractive form of finance that costs nothing, while the creditor (often an SME) must finance the delay or face liquidity shortages.

The legal text proposed by the Commission changes the current legislation (late payment directive) into a regulation, which is applicable across the entire EU, and addresses current shortcomings, such as the lack of sufficient preventive measures and suitable deterrents, whose enforcement and redress mechanisms are currently insufficient.

Ministers will be invited to exchange their views on three aspects of the proposal:

- the choice of the legal instrument (directive or regulation)
- the binding period of payment within 30 days (whether this period should be fixed or can be adapted to suit the situations in which businesses operate).
- any possible control and enforcement mechanisms to reduce late payments

Chair: David Clarinval, Belgian Deputy Prime Minister and Minister Small Businesses, the Self-Employed, SMEs and Agriculture, Institutional Reform and Democratic Renewal

[European Commission proposal of a regulation on combating late payment in commercial transactions](#)

[SME relief package communication](#)

[Presidency note for discussion](#)

2024 annual single market and competitiveness report – exchange of views

Ministers will be informed about the 2024 annual single market and competitiveness report (ASMCR) and will have an exchange of views on this document published by the Commission on 14 February. This session will not be public.

The annual single market and competitiveness report responds to a request made during the European Council in March 2023 to monitor the state of the single market and its competitiveness. This year's edition builds on previous annual single market reports which were first proposed in the 2020 EU industrial strategy. Compared with previous editions, the report includes new competitiveness indicators, in line with the 2023 Commission's communication: 'Long-term competitiveness of the EU: looking beyond 2030'.

The report analyses the single market based on nine competitiveness areas: the functioning of the single market, access to private capital, public investment and infrastructure, research and innovation, energy, circularity, digitalisation, education and skills, and trade and open strategic autonomy.

The main findings of 2024 ASMCR are:

- There is a need to step up the enforcement of agreed rules, and to simplify their implementation
- Public investment has recovered from the low levels following the financial crisis and private investment remains high. The report recommends further strengthening the capital markets union, increasing the availability of risk and venture capital funding and scaling up innovative companies
- Public procurement is a key instrument to support the green and digital transitions in a strategic way
- High energy prices remain a challenge, but steps have been taken in recent years to update the EU energy policy toolbox and support European clean tech manufacturing
- The report also notes that the EU is a major trading power accounting for 16% of global exports, and that trade continues to be a source of competitiveness

The discussion will be framed by a paper prepared by the Belgian presidency which invites ministers to reflect on three topics:

1. The main driver for competitiveness and ways to improve the ASMCR in the future (i.e. with new KPIs?)
2. How to strengthen the EU's open strategic autonomy without creating distortions in the single market?
3. What should the focus be for the single market enforcement taskforce (SMET)

The single market enforcement taskforce (SMET) was set up in 2020 following the publication of the 'long-term competitiveness of the EU' communication. SMET is composed of high-level officials from the national ministries responsible for single market issues, and the European Commission, and it aims to strengthen the implementation and enforcement of the single market rules on the ground.

Chair: Jo Brouns, Flemish Minister for Economy, Innovation, Work, Social Economy and Agriculture (tbc)

[2024 single market and competitiveness report](#)

[Single market enforcement taskforce \(SMET\)](#)

[Presidency note for discussion](#)

[EU single market \(background information\)](#)

[Long-term competitiveness of the EU: looking beyond 2030](#)

Any other business

a) Current legislative proposals

The Presidency will inform member states on the state of play of three legislative initiatives that are currently under validation. The session will be public.

- **Forced Labour**

This proposal was presented by the Commission on 14 September 2022, and aims to prohibit products made using forced labour on the internal market as well as their export from the EU. The last and conclusive trilogue took place on 4 March.

[Press release: provisional agreement on the regulation prohibiting products made with forced labour on the Union market](#)

[Commission proposal](#)

[Background information](#)

- **Corporate sustainability due diligence directive**

On 23 February 2022, the Commission submitted a proposal for a directive on the corporate sustainability due diligence to the European Parliament and to the Council. The two co-legislators reached a provisional agreement on 14 December. The text of the agreement was however not endorsed by member states representatives (COREPER) on 28 February. The Presidency is currently assessing how to proceed with this file.

[Press release: Corporate sustainability due diligence: Council and Parliament strike deal to protect environment and human rights](#)

[Commission's proposal](#)

[Background information](#)

- **Single market emergency instrument (SMEI / IMERA)**

On 19 September 2022, the Commission submitted to the European Parliament and to the Council a proposal for a regulation on single market emergency instrument (SMEI). The two co-legislators reached a provisional agreement on 1 February 2024 and renamed the proposal as 'internal market emergency and resilience act' (IMERA). The final text was endorsed in COREPER two weeks later, on 16 February 2024.

[Press release: SMEI / IMERA: Council and Parliament strike a provisional deal on crisis preparedness](#)

[Compromise final text in view to an agreement](#)

[Council's negotiating mandate](#)

[Commission's proposal](#)

b) European Agenda for Tourism 2030

The Presidency and the Commission will inform ministers about the progress on the 'European Agenda for Tourism 2030' and the informal Council of tourism ministers that the Belgian presidency organised in Louvain-la-Neuve on 19-20 February.

On 1 December 2022, in the aftermath of the COVID-19 crisis, ministers approved Council Conclusions on the European Agenda for Tourism 2030. These Conclusions invited member states, the Commission and tourism stakeholders to take several measures to ensure the sustainability, resilience, and green and digital transitions within the sector. Ministers responsible for tourism met in an informal council in Louvain-la-Neuve on 19 and 20 February to discuss the agenda in general and more specifically on the green and digital

transitions of the sector and on the expectations of member states with regard to tourism policy for the forthcoming Commission.

[Council conclusions on the European agenda for tourism 2030](#)
[Informal meeting of tourism ministers \(Belgian presidency website\)](#)

Chair: Valérie de Bue, Walloon Minister for the Civil Service, Information Technology and Administrative Simplification, with responsibility for family allowances, tourism, heritage and road safety.

c) Strategy for the maritime sector at the European level

The German and Dutch delegations requested an AOB item to discuss the need for an updated strategy for the maritime sector at European level. The current strategy, the so-called 'LeaderSHIP 2020', was adopted in response to the economic crisis within the shipbuilding sector in 2013 and has not been updated since. Germany and the Netherlands would ask the Commission to publish a new maritime strategy and request that the Belgian Presidency consider the specific needs of the maritime industry in its forthcoming draft Council conclusions on industrial policy.

[LeaderSHIP 2020](#)

d) State-aid rules for long-term competitiveness

The Swedish delegation requested an AOB item to discuss the impact of state-aid rules for long-term competitiveness. The Swedish letter proposes redirecting the focus of the state-aid debate from short-term relaxation of rules towards a long-term framework to strengthen the EU's competitiveness, considering the whole EU toolbox of policy instruments. The letter requesting this AOB item was co-signed by a further 10 member states.

e) Medicine shortages

The French delegation requested an AOB item to discuss ways to improve the security of medicine supply in the EU. Europe has become highly dependent on imports of critical medicines manufactured in Asia, as revealed by the COVID-19 pandemic. On 2 May 2023, 22 member states signed a non-paper to improve the security of medicine supply in Europe, by promoting a legislative initiative in the form of a 'critical medicines act', to strengthen Europe's production capacities of critical medicines and strengthen Europe's resilience and strategic autonomy.

Lunch-time discussion on the future of EU industrial policy – exchange of views

During the informal lunch, ministers will debate the future of the EU's industrial policy, and more specifically on the sectors which should be high on the political agenda during the next legislative cycle. This session will not be public.

'Strengthening our competitiveness' is one of the Belgian presidency's six priorities. It calls on the EU to prioritise its long-term competitiveness and industrial policies, in a changing world with new geopolitical realities and disruptive technologies, such as artificial intelligence. One of the concrete deliveries of this priority will be the adoption of Council conclusions of the future of EU industrial policy, in the COMPET Council held on 24 May.

The exchange of views will feed into the debate on the future of EU industrial policy and will contribute to the Council conclusions. The debate will be framed by a note prepared by the presidency in which ministers are invited to reflect on the sectors where the EU already has a competitive advantage and to identify any key indicators.