



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Camera dei Deputati for its Opinion on the Communications from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - “Identifying and addressing single barriers to the single market” {COM (2020) 93}; “Long-term action plan for better implementation and enforcement of single market rules” {COM (2020) 94}; “New industrial Strategy for Europe” {COM (2020) 102} and “SME Strategy for a Sustainable and Digital Europe” {COM (2020) 103}. The Commission is pleased to have this opportunity to provide additional information regarding its Communications and trusts that these will allay the concerns of the Camera dei Deputati.

The New Industrial Strategy for Europe aims to help Europe's industry lead the twin transitions towards climate neutrality and digital leadership while driving Europe's competitiveness and its open strategic autonomy and resilience at a time of moving geopolitical plates and increasing global competition.

A deeper and more digital single market, upholding a global level playing field, working towards climate neutrality and a more circular economy, fostering innovation, skills and investments, will be essential to make this happen.

The Commission agrees that the industrial strategy remains an important guiding framework for the EU industry's recovery after COVID-19. The objectives of the new industrial strategy also guide the Recovery Plan for Europe presented in May 2020.

The industrial strategy has been adopted on the same day as the new Small and Medium-sized Enterprise (SME) Strategy for a sustainable and digital Europe. The SME strategy will be an important tool for the recovery of Europe's industry as Europe's 25 million SMEs employ around 100 million people, account for more than half of Europe's Gross domestic product and play a key role in adding value in every sector of the economy.

*Mr Roberto FICO
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The Commission shares the Camera dei Deputati's view that modernising and decarbonising energy-intensive industries must be a top priority. It will support the creation of new markets for climate neutral and circular products, such as steel, cement and basic chemicals, via, inter alia, a new Chemicals Strategy for Sustainability, the 'Renovation Wave' Initiative and a Comprehensive Strategy for Sustainable and Smart Mobility.

The single market is one of Europe's greatest achievements and provides Europe's businesses with a large domestic market. It stimulates competition and trade within the EU and provides EU citizens with a wider choice of goods and services and more employment and entrepreneurial opportunities. It gives European companies the leverage they need to become leaders on the global stage.

Nevertheless, Europeans continue to experience barriers that prevent them from fully exploiting the potential of the single market. The Report on barriers to the single market identifies a broad range of obstacles in the single market, taking the perspective of Europe's businesses and consumers. It points to the root causes of such barriers: restrictive and complex national rules, limited administrative capacities, imperfect transposition of EU rules and their inadequate enforcement.

To address these barriers, the Commission also adopted the Long Term Action Plan for Better Implementation and Enforcement of Single Market Rules, which aims at addressing obstacles that arise from violations of EU law. The Action Plan is based on a renewed partnership between Member States and Commission in their shared responsibility to ensure that single market rules are properly enforced and applied. In this context, the Action Plan envisages a Joint Task Force of the Commission and Member States to strengthen cooperation and to address barriers that are distorting the functioning of the single market. The Commission, for its part, will support national and local authorities in their efforts to implement correctly European law and will not hesitate to take firm action against violations of single market rules.

The Commission welcomes the Camera dei Deputati support for the aims of the Communications and notes its observations relating to the extended use of pre-litigation tools such as EU Pilot, the structured dialogue for better transposition of single market directives and the need to support with adequate appropriations the programmes specifically intended for the SMEs in order to promote technological innovation and conversion in the interests of climate neutrality and digitalisation.

The Commission has taken due note of the views expressed by the Camera dei Deputati and will take them into account in its future action.

In response to the more technical comments in the Opinion, the Commission would like to refer to the attached annex.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Camera dei Deputati and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Thierry Breton
Member of the Commission*

Annex

The Commission has carefully considered the issues raised by the Camera dei Deputati in its Opinion and would like to offer the following observations:

a) *Extended use of pre-litigation tools such as EU Pilot*

The long-term action plan for better implementation and enforcement of the single market rules {COM (2020) 94} proposes a more general and consistent use of the EU Pilot – pre-litigation tool. On 30 July 2020, the European Commission followed up on this commitment by releasing new internal guidelines on the use of the EU Pilot procedure. The new guidelines will ensure more clarity, consistency and flexibility in the dialogue between the Commission services and Member States. More importantly, they strike a balance between the need for a more efficient use and a greater flexibility before launching an infringement procedure.

b) *Structured dialogue between the Commission and the Member States for better transposition of single market rules*

The establishment of structured dialogues between Member States and the Commission during the transposition periods of single market directives and regulations (as foreseen in Action 7 of the Action plan for better implementation and enforcement of single market rules) should increase transparency and create synergies between the transposition efforts of the Member States and the support offered by the Commission. The systematic exchange between Member States and the Commission will improve trust, clarify complex provisions of single market law to avoid incorrect transposition and reassure national authorities to avoid the establishment of unnecessary and unjustified “gold plating” that would burden economic operators, notably SMEs. The ambitious goal of this action is to ensure continuously EU law compliance over time, by keeping track and verifying subsequent changes of national laws transposing EU single market rules, thereby systematically improving the consolidation of the single market.

c) *Draw attention, in the relevant European fora, to the need to support with adequate appropriations the programmes specifically supporting SMEs in order to promote technological innovation, and SMEs’ contribution to the twin transition to more sustainability and digitalisation through capacity building, reducing the regulatory burden, and facilitating access to finance and markets.*

The Commission uses every opportunity in its dialogue with stakeholders and Member States to draw attention to the SME strategy and its importance for Europe’s recovery, and it stresses that the implementation of the recovery package and the strategy need to go hand in hand. An important channel in this context is the European semester process as well as the Commission’s interaction with the network of national SME envoys (who are representatives of Member States’ public administrations).

The Parliament’s Committee in charge of SMEs could support these efforts of the Commission by encouraging competent authorities to provide adequate funding (and complement funding already foreseen at EU level) to programmes specifically aimed at

SMEs, notably programmes supporting technological innovation in view of promoting climate neutrality and digitalisation. To this end, the rationalisation and simplification of burdens is of strategic importance, along with improved access to finance via InvestEU, ESCALAR, and others.
