



30TH ANNIVERSARY OF THE SINGLE MARKET

Recommendations of the Austrian economy
for a resilient, competitive single market
that unlocks its full potential

Reduce bureaucracy and avoid excessive burdens for businesses

A smart regulatory system that facilitates economic activity is an important factor for the success of a business location. Excessive regulation, however, hampers businesses and has a negative impact on growth, employment and prosperity. A consistent application of the subsidiarity principle, the “think small first” principle and the once-only principle can reduce reporting obligations and bureaucratic requirements. When introducing new reporting, auditing, documentation and disclosure obligations for European companies, we therefore advocate proportionate legislation and plead for voluntary action. Entrepreneurial freedom should be restricted as little as possible.

The subsidiarity principle must be respected more strictly. This implies proposing and adopting only regulations with a clear European added value. Moreover, greater attention must be paid to the principle of proportionality. In principle, the “think small first” principle is mandatory with new EU legislative proposals and within the EU impact assessment an SME test is provided for; however, both must be applied consistently. By applying the one in-one out principle the existing administrative burden should at least not increase. In addition, efforts must be made to reduce existing burdens.

Ensure uniform application, implementation and enforcement of existing single market rules

If implementation and enforcement of existing single market rules are not sufficiently guaranteed, we see the proposal of new legislation sceptically. Additional rules are only reasonable once existing rules are enforced in a reliable manner. Furthermore, existing Commission instruments for single market infringements - such as infringement procedures (average duration three years!) - should be accelerated and EU pilot procedures should be used more intensively.

Secure a frictionless and resilient supply chain even in times of crisis

Disruption of supply chains within the EU single market poses a serious threat to the stability of production and trade. The COVID 19 pandemic clearly demonstrated the consequences of disrupted supply chains. In the event of a crisis, smooth trade and the free movement of services are highly sensitive to disproportionate measures by national authorities, a lack of cooperation between member states and a lack of harmonisation schemes. Therefore, there is an even greater need for standardised rules for future crises - whereby it is doubtful whether the proposed Single Market Emergency Instrument (SMEI) will be sufficient. Therefore, the resilience, security and diversification of international supply and value chains should also be improved by partnerships with third countries or investments in strategic sectors.

Focus on the single market for services where the greatest potentials are achievable

It is necessary to remove remaining barriers - especially in the services sector - and to provide faster and more flexible enforcement mechanisms. National authorities continue to issue national regulations on services without the possibility of prior review. This contributes significantly to the creation of new barriers. Since the recent attempt to reform the service notification procedure failed due to the resistance from some Member States, a new approach is required. An ex-ante review procedure would increase transparency with national implementations of the Services Directive and thus make it more difficult to introduce protectionist measures and so-called „gold plating“.

Place a greater focus on the economic dimension of the rule of law in the single market

The European Union must engage in preventing a relapse into emerging nationalisms and economic isolation policies. Reliable rule-of-law structures in economic life and rule-of-law behaviour by public authorities are key prerequisites for investment and trade. Therefore, the economic dimension should be given much greater consideration in the rule of law mechanism and a separate economic chapter should be included in the Rule of Law Report of the Commission.

Conduct ex-ante competitiveness checks to maintain global competitiveness

Competition remains a crucial tool for the EU single market. In order to strengthen global competitiveness of the European economy, the EC has announced a standard competitiveness check for EU legislation - what the business community has long been calling for. Comprehensible impact assessments based on data and facts must be prepared with a competitiveness check.

Extend the Schengen zone to exploit the full potential of the single market

The Schengen area implements one of the most important goals of the EU single market: free mobility. Open borders reduce waiting times at borders and facilitate the movement of people, the trade of goods and the provision of services. The European economy benefits greatly from the Schengen area. Closed borders within the EU represent restrictions that must be lifted as soon as possible.

Offer incentives instead of creating new regulations

Before new (prohibitive) regulations are introduced, economic operators should be involved in the development of appropriate framework conditions or alternative solutions (e.g. via innovation and research programmes, exchange of best practices etc.), where only the target is determined but the method of achieving it is left open to the parties involved (e.g. voluntary self-commitments, technology neutrality).

Implement single market rules in candidate countries at an early stage

Since accession to the European Union is a long and rocky process, we support the French initiative for a „European Political Community“, which would allow for a gradual integration of candidate countries even before their official accession to the EU. Due to their geographical proximity to the EU candidate countries, it is of utmost interest to Austrian companies that the rules of the single market are also extended to these countries as soon as possible, thus creating a level playing field.

Extend the Euro zone to all countries of the single market

Every EU member state is obliged to adopt the euro (except Denmark) as soon as the Maastricht criteria are met. A refusal to introduce the Euro means an unacceptable fragmentation of the single market due to unnecessary transaction costs and currency fluctuations. Each member state is obliged to work towards fulfilling the criteria.



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