

## Ten-point paper for the new European Commission

In the new legislative period at European level, what is top priority now is to restore EU competitiveness. President Ursula von der Leyen's pledges to this effect in the "Political Guidelines" and in her mandate letters to the Commissioners now need to be put into practice as quickly as possible. The past years have been dominated by bureaucracy, petty micromanagement and additional burdens. For companies, this has reached a level that is completely unacceptable and nips any entrepreneurial dynamism in the bud.

Mario Draghi's report on the future of European competitiveness describes in clear terms how the framework conditions for companies in the EU have deteriorated massively. The EU is in danger of falling behind the USA and China permanently and losing ground in key areas. If the EU does not regain its competitiveness, the safeguarding of fundamental European values such as democracy, freedom and justice can no longer be guaranteed. The climate protection goals that the EU has set itself will also prove impossible to achieve without a strong economy. Mario Draghi aptly describes the current situation as an "existential challenge".

We do not want a different Europe, we want a better Europe. And for us this means that we need more Europe in the bigger picture and less Europe in the smaller picture. The European Union must once again be a community that prioritises economic competitiveness to ensure prosperity for its citizens. With this in mind, we have set out in the following the ten most important demands on the new European Commission. Work on their implementation should start without delay:

### **1. Make Europe more independent and strengthen the security and defence industry**

Europe must avoid becoming unilaterally dependent. It is important to identify key technologies and specifically strengthen them. What is needed is a target-oriented innovation policy. Moreover, access to required raw materials must be ensured and energy imports reduced. The EU chemicals strategy should continue to rely on the proven risk assessment. Without credible deterrence in the form of defence capability, our existence as a free, democratic and pluralistic society is also at stake. Russia's war of aggression against Ukraine has shown us just how decisive a powerful industrial base can be in the event of war. Europe's response should be a European defence union with a deep common security and defence policy. Joint development and procurement are therefore becoming increasingly important. Likewise, free access to bank lending for companies in the security and defence sector must be guaranteed and not hampered by an incorrect interpretation of sustainability criteria. The European strategy for the defence industry must lead to a comprehensive strengthening of the sector.

## **2. Intensify integration of Europe in the global economy**

Free trade and international worksharing secure growth, employment and prosperity. Europe, that is losing growth potential due to demographic change, is particularly dependent on free trade in goods and services. The EU Commission must therefore strive to strengthen free trade - both multilaterally and bilaterally by negotiating trade agreements. In addition, the EU must push for a reform of the WTO. The aim being to liberalise global trade by lowering tariffs and reducing non-tariff barriers and to make planning more reliable by adopting common regulations.

## **3. Shape the transformation to climate neutrality in a pro-business way**

The Clean Industrial Deal needs to be filled with real life. It should not be left at simple announcements. Only by combining sustainability, industrial production and prosperity can the EU meet its commitment to climate protection. That is why we need a resolute industrial policy that effectively supports companies in the transformation process. Efficient carbon leakage protection and technological neutrality must be guaranteed at all times. Furthermore, access to affordable hydrogen in sufficient quantities must be secured and a pan-European hydrogen network swiftly established. Massive investment is also needed in power grids to meet the growing demand for electrification. The Industrial Carbon Management Strategy should be implemented as quickly as possible. The climate targets will be achieved only if the ramp-up of zero-emission trucks is backed by a rapid expansion of the refuelling and charging infrastructure, including megawatt charging for European long-haul transport.

## **4. Reduce energy costs**

High energy prices present an enormous structural disadvantage for any location. These costs must be reduced in order to counteract the de-industrialisation that is already taking place. We therefore call for the EU to approve national bridge electricity prices. A complex splitting of the German electricity price zone must be prevented as it would result in weakening industrial centres in southern Germany, which would also have a severe impact on Europe as a whole.

## **5. Speed up the use of digital technologies**

Obstacles must be removed as quickly as possible to help European companies gain more momentum in digital applications. Particularly in the field of AI technologies, the USA and China are way ahead when it comes to research and the implementation in concrete applications. The catching-up process can only be successful within a legal framework that is straightforward and innovation-friendly. The roll-out of 5G (and 6G) high-speed networks throughout the EU also needs to be put on a fast track.

## **6. Stop overregulation in the area of labour and social affairs**

European social policy should return to the principle of subsidiarity. What is needed is a radical reduction of at least 25 percent in reporting obligations. The remaining reporting obligations should be simple, understandable and easy to implement. The Value Chain Directive in its current form needs to be scrapped altogether, or at least undergo a thorough revision. Telework should not be regulated in a restrictive manner. The voluntary nature on both sides is a fundamental pillar for interest- and practice-oriented teleworking.

## **7. De-bureaucratization of Europe**

We urgently need a systematic approach at European level in order to avoid pointless regulatory burdens at an early stage. At the same time, we need to respect subsidiarity consistently and introduce a "one in, one out" principle.

## **8. Accomplish the European Single Market**

The European single market is the foundation for a competitive EU. We therefore urgently need greater integration of energy markets and infrastructures, facilitation of employee mobility and cross-border mobile working as well as the lifting of traffic-restricting measures in cross-border freight transport. We also need a digital union to ensure that the digital world does not lag behind the physical single market. The Capital Markets Union must be developed further in the area of cross-border equity and investment options. Moreover, to increase the efficiency of payment transactions, we need the digital euro as a complement to cash.

## **9. Commit Member States to a sound budgetary policy**

Sound budgetary management is crucial for sustained success of the EU and its member states. Appropriate rules and regulations must be geared to creating opportunities and consolidation. National excessive debt and resulting economic imbalances must be avoided and growth- and consolidation-oriented reforms ensured, also by stimulating innovation in strong locations. Communitisation of debt and large-scale redistribution via the EU are to be rejected.

## **10. Manage immigration into the European Union efficiently**

In view of the sharp rise in the number of refugees seeking shelter in the European Union, the European asylum reform needs to be put into practice as quickly as possible. In particular, the solidarity-based distribution of refugees within the EU and the curbing of irregular migration must be implemented quickly and effectively. Within the framework of the new migration and asylum pact it is the decisive task of the European Commission to establish a functioning European asylum system.

The logo for the Bavarian Chamber of Commerce (vbw) is displayed in white text on a dark blue square background. The letters 'vbw' are in a bold, lowercase, sans-serif font.

Die bayerische Wirtschaft

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