



Mr Richard Bruton, TD
Minister for Jobs, Enterprise and Innovation
Department of Job, Enterprise and Innovation
Leinster House
23 Kildare Street
IRL - Dublin 2
IRELAND

24 May 2013

Dear Minister,

Competitiveness Council meeting on 29-30 May 2013
Better regulation is key for reindustrialisation and Single Market

The next meeting of the Competitiveness Council will adopt conclusions on smart regulation. In the present context of negative growth forecasts and decreasing business confidence indicators, improving the investment climate and creating a positive competitiveness shock is a must. We need real change in the regulatory process. Less, better and simpler legislation is urgently needed to have a competitive and dynamic business environment anchored in legal certainty. Smart regulation is also essential to deliver the new EU industrial policy and develop the Single Market.

Smart regulation requires carrying out credible impact assessments and competitiveness checks on all legislative proposals. The impact on industrial competitiveness must be taken into account when adopting legislative proposals in all policy areas. The European institutions must ensure that measures proposed and adopted are actually needed, effective and proportionate in their scope and nature. The cumulative impact of different actions must be taken into account.

Member States should also carry out effective impact assessments on national legislative proposals, reduce administrative burdens generated by national legislation, and refrain from gold-plating European directives, while ensuring full compliance and enforcement of Single Market rules.

EU impact assessments would further improve if draft impact assessments were made public before the legislative proposal is adopted, as it is the case in countries such as Sweden, the UK and the US. Stakeholders should be given the opportunity to send comments to the Impact Assessment Board before the proposal and the assessment are finalised.

Growth considerations and compliance with the principles of smart regulation imply that the Competitiveness Council should oppose the banning of regional state aid for non SMEs.

The evidence presented by the Commission in its preliminary assessment fails to justify the ban for larger enterprises. Furthermore, it overlooks the fact that larger businesses



form important value chains with SMEs and act as a crucial anchor in regional economic development.

Access to regional aid should be evaluated on the quality of the investment, its impact on the economy and its effect on competition, not on the company's size. The revision of the regional aid rules must recognise this if we want to stimulate innovation, growth and employment in the single market.

Respect of intellectual property rights is essential to promote innovation and competitiveness. In the field of copyright, which you will discuss, there is considerable potential for simplification in multi-territorial licencing as a tool to lift obstacles to the development of new business models and of the Digital Single Market.

We count on the full support of the Competitiveness Council to achieve smarter legislation in the EU and we look forward to continue contributing to your efforts in this field.

Yours sincerely,

Markus J. Beyrer