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Single Market at 30's industrial competitiveness check needs shared sense of direction

Brussels, 16 March 2023 - The EU Single Market is the bedrock of the European economy and one of the greatest achievements of European integration. 30 years on from its foundation, regulatory barriers and obstacles to cross-border trade make its potential still far from being exhausted. The EU's proposed *long-term competitiveness strategy* and *30 years of the Single Market* communications, presented today by the European Commission, are a compass of Europe's state-of-the-art economy, toward establishing a level playing field and achieving cohesion objectives.

Greater ambitions must go hand in hand with a shared sense of direction. Boosting industrial competitiveness and avoiding fragmentation is a key prerogative of the newly presented plans. "A common response, anchored in EU policies and instruments, will be far more effective than the addition of 27 national approaches," states the broader Green Deal Industrial Plan put out by the European Commission, last February. An approach to which the sector fully subscribes to and which should be applied across all Union policies. Preserving the integrity of the Single Market is critical to favour the unfolding of the green and digital transition and "is the very core ingredient for prosperous net-zero industries of today and tomorrow," said Paolo Falcioni, APPLiA Director General.

According to a study run by the European Parliament¹, **the benefits of removing existing barriers in the Single Market for goods and services could amount to €713 billion by the end of 2029.** The advent of a piecemeal approach to reform over the last years, began to create a complex web of national regulations that risk reaping common potential gains and creating market distortions. With an increasing number of Member States drawing up rules to make products more sustainable, deviating regional legislation risks undermining the entire sustainability efforts as the EU attempts to move towards a more sustainable model. There, "If countries take different routes on sustainability, the many fragmented national measures multiply the number of formats required for the same product to meet national requirements," explained Paolo Falcioni, APPLiA Director General, in turn generating "a financial burden for companies that would otherwise manufacture a single product for all 27 European markets and for consumers, who would have to pay additional product cost." While these complications may seem minor, their implications hinder the free and cost-effective movement of goods in Europe, creating fragmentation and uncoordinated responses which would ultimately be detrimental to Europe's competitiveness, its influence in a globalised economy and the well-being of its citizens.

¹ European Parliament, "A Europe Fit for the Digital Age", Single Market Barriers Report, December 2022, Online: <https://www.europarl.europa.eu/legislative-train/theme-a-europe-fit-for-the-digital-age/file-single-market-barriers-report#:~:text=A%20recent%20update%20of%20the,by%20the%20end%20of%202029>

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The EU's *long-term competitiveness strategy* and *30 years of the Single Market* communications, unveiled today by the European Commission are thought to complement the most recent Green Deal Industrial Plan and its centrepieces Critical Raw Materials Act and Net-Zero Industry Act, with an eye to address the broader issue of competitiveness. Bolstering investment in innovation, research and development is critical to strengthening the role of Europe in both the regional and global arena.

APPLiA - Home Appliance Europe represents home appliance manufacturers from across Europe. By promoting innovative, sustainable policies and solutions for EU homes, APPLiA has helped build the sector into an economic powerhouse, with an annual turnover of EUR 53 billion, investing over EUR 1.6 billion in R&D activities and creating nearly 1 million jobs.