



STRENGTHENING, SPEEDING UP, BOOSTING.

**CEOE'S PROPOSALS FOR THE 2024-
2029 EUROPEAN INSTITUTIONAL CYCLE:
A PUBLIC-PRIVATE COMMITMENT TO FOSTER EU
COMPETITIVENESS**

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Foreword	5
CEOE's proposals for the European institutional cycle 2024-2029: a public private commitment to foster EU competitiveness	6
1. A regulatory framework for competitiveness	8
2. Completing the Single Market, a central priority	10
3. An economic and fiscal environment to foster investment	12
4. Putting competitiveness at the heart of the Green Transition	14
5. Consolidating the digitalisation of the economy	17
6. Boosting innovation as the backbone of competitiveness	18
7. An EU based on strong social dialogue fostering job	19
8. A strengthened foreign policy and an open trade and investment policy	21
9. A strategic Spain within an agile institutional framework	24



The European Union is on the verge of embarking on a new institutional cycle while it is confronted with internal and external challenges of the utmost importance. Consequently, there is a **need for a strong consensus-based boost to swiftly advance towards the EU's priorities** for the next five years, ensuring **Spain's strategic role** in shaping and developing the upcoming European agenda.

In a context of escalating economic and technological rivalry, compounded by tangible insecurity following the Russian war of aggression against Ukraine, the EU must thoroughly assess the geostrategic considerations for its future enlargement, as well as economic security issues to bolster the resilience of its industries and global supply chains. Additional challenges compound these issues, including skilled labour shortages, depopulation, demographic aging, adaptation to climate change effects and difficult access to financing for the real economy, among others.

At CEOE, we are convinced that the **2024-2029 period** represents an **opportunity for the Union to prioritise competitiveness and economic growth within, thereby strengthening its position** in the current international arena to address these challenges. Only through a **strategy focused on European competitiveness to drive business resilience** will we ensure the **social path** of the EU pursued in recent years and continue to **make progress** towards the ambitious European **environmental targets**. Moreover, we should make full use of our country's capacities to lead the decarbonisation of the European Union.

Key objectives for the upcoming years must include completing the **Single Market**, promoting an assertive **trade policy**, enabling essential **investments** for the twin green and digital transition, and ensuring a social and employment policy based on **social dialogue**, with social partners playing a crucial role in enhancing employability and business productivity. In order to achieve all these goals, it is essential that sufficient time is allowed to **implement the extensive regulation** developed during the last legislative term.

To contribute to the ongoing collective reflection process, CEOE, in close collaboration with our members, presents this **document of proposals** addressed to the Spanish candidates to the European Parliament, to the future College of Commissioners, to the Spanish Government and all European decision-makers.

Spanish and European businesses are committed to being **part of the solution** to the current challenges, propelling the **strategic path** towards a stronger European Union **through public-private collaboration**.

Antonio Garamendi
President of CEOE
Vice-President of BusinessEurope

These are **CEOE's proposals** to contribute to a **more united, prosperous, sustainable, strong and secure Europe** during the **2024-2029 European institutional cycle**:

1. A REGULATORY FRAMEWORK FOR COMPETITIVENESS

2. COMPLETING THE SINGLE MARKET, A CENTRAL PRIORITY

3. AN ECONOMIC AND FISCAL ENVIRONMENT TO FOSTER INVESTMENT

4. PUTTING COMPETITIVENESS AT THE HEART OF THE GREEN TRANSITION

5. CONSOLIDATING THE DIGITALISATION OF THE ECONOMY

6. BOOSTING INNOVATION AS THE BACKBONE OF COMPETITIVENESS

7. AN EU BASED ON STRONG SOCIAL DIALOGUE FOSTERING JOB CREATION

8. A STRENGTHENED FOREIGN POLICY AND AN OPEN TRADE AND INVESTMENT POLICY

9. A STRATEGIC SPAIN WITHIN AN AGILE INSTITUTIONAL FRAMEWORK

1. A REGULATORY FRAMEWORK FOR COMPETITIVENESS

The new institutional cycle must be embedded in a **new regulatory mindset** to facilitate investment. This requires a holistic vision to foster a more efficient and effective implementation of legislation, avoid inconsistencies, overlaps, and contradictions between political goals and prevent adding unnecessary complexity and excessive reporting obligations. To this end, it is urgent to apply the Better Regulation principles throughout the legislative process, always taking into account the proportionality principle, in order to address the current implementation problems and the excessive regulatory and administrative burdens faced by European businesses. Along these lines, it is necessary to work to prioritise harmonisation in the Single Market. To ensure this we believe it is necessary to take into account the following objectives:

TIME TO IMPLEMENT LEGISLATION AND AVOID OVERLAPS

- The next five years should be devoted to the **transposition and evaluation** of the extensive legislation adopted in the last cycle, ensuring that its **implementation is duly conducted** and guaranteeing **transparency and legal certainty**.
- To this end, **Member States must avoid gold-plating when transposing** European legislation, as it could hinder the achievement of the intended objectives. This is why it is necessary to use tools (such as Single Market clauses) which ensure complete harmonisation to

avoid the fragmentation caused by divergent transposition of directives at national level.

- Thus, when the EU plans to legislate on a given issue, Member States should avoid developing their own legislation before the process at European level is completed, to **prevent overlaps and contradictions and to ensure a level playing field** and full harmonisation across the Single Market. With this in mind, it is essential to improve the notification of legislative proposals that affect the Single Market as provided for in Article 15(7) of the Services Directive, facilitating the procedure for local and regional authorities.
- Likewise, when designing and developing regulation, the European Commission and the co-legislators must ensure **consistency with existing legislation**, avoiding duplication and prevent regulation that creates confusion for businesses and hinders the achievement of common objectives.

ENSURE COMPLIANCE WITH EUROPEAN LEGISLATION AND ITS OBJECTIVES

- It is necessary to strengthen the active role of the European Commission to ensure compliance with European legislation through **infringement procedures**, making them more agile and transparent. To this end, it is necessary to ensure that the European Commission has sufficient resources to carry them out.

- **Market surveillance** is also essential for the proper functioning of the Single Market. It is a field specially favourable for the development of public-private partnerships, optimising public-private resources and promoting open dialogue between national Market Surveillance Authorities and business associations as encouraged by the European Commission.
- Carrying out **impact assessments** of European legislative acts after adoption to timely ensure they meet their initial objectives, and consider amending them if they do not, thus preventing negative effects on citizens and businesses.
- Setting **timeframes** to adapt national legislation to incorporate changes arising from EU legislation, especially when there are different procedures that require several consecutive changes.
- Along the same lines, **review clauses in directives** should provide for longer deadlines, possibly adapted on a case-by-case basis, so that there is enough time for the transposition and application of the directive before the revision begins: otherwise, legislation is constantly being revised.

BETTER REGULATION AND REDUCING REGULATORY BURDENS

- Enhancing the **quality of impact assessments** to ensure they adhere to objective and quantifiable criteria, including detailed economic analyses, rather than being influenced by predefined ideas or political objectives. This requires real **dialogue with experts in the sectors involved** during the preparation and

development of legislation, and the creation of specialised centres in specific areas to support the drafting and evaluation of legislative proposals.

- Improving and rigorously applying the **competitiveness check** for both legislative proposals and political strategies, through active dialogue with stakeholders.
- Improving transparency and stakeholder participation in the process of drafting and adopting **delegated acts**.
- Adapting legislation to meet the specific needs of the **outermost regions (ORs)** and **autonomous cities**.
- Reducing **administrative and regulatory burdens**, extending this commitment to all legislative proposals and actively implementing the **one-in-one-out principle**, as well as thoroughly assessing the cumulative impact of new legislation. The European Commission's plan to **reduce burdens** associated with **reporting requirements by 25%** needs to be swiftly implemented.
- Special attention must be devoted to burdens which impair or slow down the **scaling of European businesses**, preventing them from benefiting from economies of scale that would result in greater efficiency in their processes and investment capacity, and hinder their ability to modernise, digitalise and decarbonise.
- Applying the **"Think Small First"** principle in legislation drafting, analysing the impact that future legislation may have on SMEs and consistently implementing the **SME Test**.

2. COMPLETING THE SINGLE MARKET, A CENTRAL PRIORITY

The Single Market is at **the heart of the EU's economic strength and resilience**: its completion is the main instrument for relaunching European competitiveness. During the next political cycle, we must take the Single Market to the next level, putting it at the forefront of European integration, the green transition, and the EU's innovation agenda. Thus, an ambitious Single Market strategy must be established with the aim of providing renewed momentum to the elimination of **persistent barriers** (but also of **dissuasive measures** which, while not constituting barriers to Community freedoms, discourage businesses and citizens from making full use of the Single Market) and make decisive progress in the freedoms that are less advanced. To this end, over the next five years we must work towards:

ENSURE FREE MOVEMENT IN ALL AREAS

- Removing persisting barriers to the **free movement of goods**, implementing measures to facilitate it further, such as a Digital Product Passport or the use of digital labelling, and taking active steps to ensure that SMEs make full use of the Single Market.
- Working to eliminate barriers to the **cross-border provision of services**, considering sector-specific justifications based on public interest or service nature.
- Guaranteeing the **free movement of workers** between Member States by enhancing the coordination of social security systems and implementing the e-Declaration.

- Consolidating the free movement of capital, an essential element for boosting investment throughout the EU, finance, and access to **capital markets**.
- Ensuring cross-border **transport** operations, the safety of drivers and vehicles, and the competitiveness of the sector, as well as strengthening and financing reliable and efficient infrastructures for land, air and sea transport, including interconnections.

STRATEGIC ROLE OF PUBLIC PROCUREMENT

- Maximising the potential of **public procurement** to achieve European objectives and provide investment security, ensuring that European legislation and its implementation provide an adequate framework for said objectives.
- Ensuring that legislation in this field avoids a race to the bottom on prices to guarantee that public procurement maintains high standards in terms of social impact, quality, innovation or sustainability. This requires that the object of the contract specifies the award criteria, thereby avoiding unwanted or restrictive effects on competition.
- Promoting **public-private partnerships** to boost the efficiency of public spending in basic services and critical infrastructure investment.
- To achieve all these objectives, addressing the causes that have led to a decline in competition in public procurement in recent

years is essential, as pointed out by the European Court of Auditors in the "Special Report 28/2023: Public Procurement in the EU" of December 2023, and propose solutions to reverse this trend.

BUSINESS-LED STANDARDISATION

- Protecting the European **standardisation** model, based on public-private cooperation, to ensure that new European standards are still market-relevant and are aligned with international standards. This model must remain economically sustainable, led by businesses and governed by a stable legal framework.
- Placing **SMEs in the focus** of the standardisation process, aiming to simplify administrative and regulatory procedures for small and medium businesses.

COMPETITION POLICY AND STATE AID CONTROL TO STRENGTHEN THE SINGLE MARKET

- Fostering the **complementarity and consistency between industrial and competition policies**. In this regard, it is necessary to ensure that competition rules are in line with the EU's priorities, enabling competition control

instruments to promote the integration of the Single Market and fostering the reinforcement of the EU's supply chains. Consequently, merger control rules must be able to take into account the impact on the global market.

- Actively ensuring that the **State aid control** framework upholds the efficiency of public support and a level playing field in the EU and that it is an enabler for the twin transition. To that end, the specific measures adopted to face crises or advance in the transition must be limited in time and appropriately monitored, ensuring efficiency as an essential control criterion. Furthermore, public support instruments designed with a European perspective should be promoted, taking full advantage of IPCEIs or developing a Clean Technology Deployment Fund to support the risk borne by the private sector in the development of these technologies.
- In order to achieve more effective State aid control, streamlining the procedures to access and approve aid measures, and reinforcing the capacities of national authorities in this area.

3. AN ECONOMIC AND FISCAL ENVIRONMENT TO FOSTER INVESTMENT

The succession of shocks has led to a permanent crisis that has deteriorated the shape of public finances. The recent agreement on new fiscal rules and the issuance of EU debt to finance the NextGenerationEU funds can form the basis for consolidating and stabilising the EU economic environment. The next few years are crucial to ensure that the right measures are taken to encourage long-term investment and facilitate businesses' access to financing, leveraging the European savings capacity. To this end, it is essential to further consolidate the Economic and Monetary Union (EMU), the Banking Union and the Capital Markets Union. We rely on the European institutions and political decision-makers to work towards:

CONSOLIDATE THE EMU, BANKING UNION AND CAPITAL MARKETS UNION

- Ensuring the **correct implementation of the new economic governance framework**, improving public finances while addressing the necessary investments for the twin transition and enhancing the competitiveness of businesses and the role of the euro.
- Firmly committing to completing the **Banking Union** during this term, implementing the **European Deposit Insurance Scheme (EDIS)** to strengthen the common framework for managing banking crises and national deposit guarantee schemes.
- Advancing the deepening of the **Capital Markets Union**, consolidating the European

securitisation market and thereby creating a stable and predictable environment to boost fiscal incentives and attract investment.

- Addressing **international taxation** measures from a **business perspective** to maintain global competitiveness.
- **Avoiding fragmentation and unequal taxation conditions** at European level: the proliferation of levies in different jurisdictions, with divergent approaches, is incompatible with the consolidation of the Banking Union.
- Refraining from creating sector-specific levies which can lead to distortions of competition and destabilise the level playing field within the EU.
- Ensuring legal certainty of tax rules by **unifying interpretative criteria** for major EU taxes, establishing **a fast and binding mechanism for query resolution** and creating a European-level database **binding for Member States' authorities**.
- Considering the **digital euro** project and given its potential implications for financial stability, focusing on fair competition between the existing payment solutions on the market, securing distribution and fraud prevention and putting cybersecurity at the top of its design.

A SOLID EU BUDGET AND FINANCING TOOLS FOR BUSINESSES

- Designing a new **Multiannual Financial Framework**, including new own resources, to

enable the **necessary investments** to boost those activities and sectors with growth potential and key to the economic security of the EU, providing the necessary support for SMEs' access to financing.

- **Ensuring spending efficiency and effectiveness** so that the available EU resources meet their objective at the lowest possible cost while making sure that measures to increase new own resources do not lead to increases in business taxation.
- Ensuring the efficient supervision of the **execution of the NextGenerationEU funds**, conducting ex-ante and ex-post expenditure evaluations to guarantee their transformative and dynamising impact on the economy.
- Building on the example and experience of the NextGenerationEU funds, but in line with the new fiscal rules, consider **issuing common debt through a new instrument** to fund investments in the twin transition, supporting European value chains and ensuring a level playing field among Member States.
- Working for a design and allocation system of **cohesion funds** based on efficiency and sound impact criteria, considering potential spill-over effects and prioritising their ability to reach businesses of all sizes and public administration modernisation.
- In a context of fiscal consolidation, taking advantage of **catalytic European instruments and resources**, including those of the

European Investment Bank, to **close the investment gap** with other regions, as well as to **generate incentives** across administrations.

- As a complement to the EU Innovation Fund, using the growing resources generated from private businesses covered by the ETS and CBAM to set up a "European support fund for decarbonisation investments" (scale-up & front-loading), which must be accelerated to meet climate targets.

SUSTAINABLE FINANCES

- Reducing reporting costs by simplifying the regulatory framework, while adapting reporting needs to the real timelines of businesses and the availability of methodologies and data.
- **Responding to the needs** of both the financial markets and the **real economy**, by improving the **EU Taxonomy**, completing it with those sectors that want to be included or simplifying it for certain economic activities, whose technical selection criteria are not sufficiently developed or endorsed by the sectors. This would require a taxonomy of economic activities in transition.
- Increasing access to financing for the transition through voluntary measures and tools beyond the Taxonomy.

4. PUTTING COMPETITIVENESS AT THE HEART OF THE GREEN TRANSITION

Spanish businesses support the EU's climate agenda and are committed to improving their production processes and adapting their business models. They are also committed to developing innovative technologies to become more resource and energy-efficient and environmentally sustainable, **contributing to the achievement of the ambitious goals** set by the European Union.

Spain could become a strategic hub for the decarbonisation of the European economy and the development of the circular economy. Thus, **the European Green Deal** must be **supported by a truly consistent European industrial strategy**, one that guarantees the competitiveness of European businesses and recognises their **role as enablers** of practical solutions to achieve environmental and climate objectives. The above requires:

SUPPORT INDUSTRY'S COMPETITIVENESS

- Developing policies aimed at **preserving and strengthening European industry**, while generating the conditions to attract new industry to support our economy's decarbonisation. It is crucial that these policies have an impact on the promotion of investment and guarantee a level playing field in industrial sectors: the environmental commitment of Spain and the European Union must not become a competitive disadvantage or an incentive to relocate businesses and jobs to other parts of the world with lower environmental standards.

- In order to tackle decarbonisation, supporting **industrial symbiosis** by favouring **innovative cooperation** between industries in the same or different value chains to share or exchange materials, technologies, infrastructures, energy, water, and information for **more efficient use of resources**.
- Incentivising scale-up and deployment of those technologies that promote emission reduction breakthroughs in sectors that are difficult to decarbonise, such as **CO2 capture and storage or use** (which also enables the use of CO2 as a raw material, thereby boosting the circular economy). This could be done through the new "European support fund for decarbonisation investments", the acceleration of which would allow important and necessary "final investment decisions" to be taken in the next 2 to 3 years.
- **Speeding up industrial permitting** through a reform that ensures a **harmonised approach** across the European industrial and infrastructure ecosystem through a **structured dialogue** and exchange of best practices between the European Commission, the competent national authorities and the industry.
- Achieving **greater resilience of supply chains**, through the **diversification of sources** of energy, raw materials (including essential, natural and renewable raw materials) and intermediate goods, and by increasing our **own extraction, transformation and recycling capacities**.

- Phasing out free EU ETS allowances once there is evidence that the CBAM offers effective protection to domestic industry, ensuring both import and export competitiveness.

COMPETITIVE ENERGY PRICES AND INVESTMENT IN TRANSMISSION AND DISTRIBUTION NETWORKS

- **Promoting a regulatory framework based on the principles of technological neutrality and regulatory stability**. Decarbonisation implies different challenges in each sector and, therefore, we must count on all possible solutions, without ruling out any tool that can help to achieve this goal. To this end, it is essential to have a stable regulatory framework that provides the necessary security to undertake the required investments.
- Ensuring **energy security and supply** in the EU and structurally address the **energy cost differential** between the EU and its main competitors, encouraging **investment in clean energy production**.
- Promoting investment in **energy infrastructures**, reinforcing **energy transmission and distribution networks** in Europe to enable the deployment of EU's renewable energy targets and to be able to sufficiently channel their production to their end uses (industry, transport, climate control).
- Ensuring the integration of the European energy system, considering all the energy vectors and in coordination with the different Member States.

NEW SUSTAINABLE MOBILITY MODEL

- Promoting a new model of **sustainable and multimodal mobility** based on the principle of **technological neutrality**, developing a recharging and refuelling infrastructure for alternative fuels. It is important, for example, to recognise **carbon-neutral fuels** in the decarbonisation of heavy vehicles, as well as to favour the production of sustainable fuels for aviation (SAF), maritime and road transport.

CIRCULAR ECONOMY AS A GROWTH DRIVER

- Improving market conditions for the flow of circular materials, ensuring **access to quality secondary raw materials**, the constant demand for recyclates and the free circulation of recyclable and reusable materials. It is crucial for waste legislation to be suitable and adapted to the **specificities of the different materials**.

- Drastically **increasing waste collection rates** across the EU, prioritising the implementation of existing waste legislation regarding separate collection of different waste streams and its harmonised application in all Member States, as well as innovation and use of best available techniques for waste sorting.
- Stimulating demand and **updating legislation to support circular business models and sectors**. It is also important to develop circular accounting methods and simplify legislation to facilitate the sale and rental of used and reconditioned goods, while maintaining consumer safety and protection.
- Promoting, in accordance with waste legislation and hierarchy, the re-use of waste for energy purposes to facilitate compliance with the integration of renewable energies in different sectors.

ACTIVE WATER POLICIES

- Adopting a **global and consistent approach in EU water policies**, in synergy with the Green Deal and the new Industrial Deal, to ensure a comprehensive and sustainable water management in all economic sectors and European households, while considering the growing water demand as well as the current and future challenges that the EU faces in this field.

CLIMATE RISKS

- Enhancing public-private partnerships to close the protection gap in the EU in extraordinary climate risks, increasingly frequent and severe.

PROTECTION OF BIODIVERSITY

- Ensuring cost-effective **biodiversity conservation** measures, which should be applied wherever they have the greatest impact and adopted in balance with social and economic interests. The specificities of each Member State should be taken into account and the quantity and quality of biodiversity data should be improved in the development of metrics and tools.
- Establishing a coordinating figure to align **forest-related strategies and legislation** within a feasible timeframe and aligned with the objectives and the financial framework. Also, encouraging innovation within the forestry sector to address regulatory challenges and enhance its resilience to climate challenges. This would allow the forestry sector to serve as a source of employment in rural areas, a generator of ecosystem services and essential

resources.

CONSISTENT ENVIRONMENTAL POLICIES BASED ON THE STATE OF THE ART OF SCIENCE AND TECHNOLOGY

- Taking into account the **state of the art of science and technology** when designing environmental policies and avoiding targets or requirements that are not applicable to the industry on a day-to-day basis.
- Especially in the **regulation of chemicals**, assessing first their multiple uses, **applications and economic effects**, ensuring the development of **workable, science-based and proportionate** EU policies before introducing restrictions on certain substances.

MEASURES FOR SOCIAL ACCEPTANCE AND A FAIR TRANSITION

- Devoting more resources and efforts from public administrations to **just transition policies and the social acceptance of the green transition**, while working closely with local communities and all social agents to minimise the possible damages of the transition on the territory and generate new opportunities without leaving anyone behind.
- Promoting **decarbonisation in all sectors and fields**, through appropriate support. In this regard, it is essential to advance in the decarbonisation of the existing building stock to ensure greater energy efficiency, by promoting the Renovation Wave strategy.

5. CONSOLIDATING THE DIGITALISATION OF THE ECONOMY

After a legislative term marked by the high volume of European regulatory production in the field of digitalisation, businesses face an uncertain future about implementation and compatibility in a **context of fierce competition to lead this transition**. Europe cannot afford to cede ground to its global competitors, underscoring the pivotal role of investment. To **achieve the goals of the Digital Decade and consolidate the EU's competitiveness on the global stage** beyond regulation, efforts must be centred on:

DIGITAL SINGLE MARKET AND REGULATION

- **Consolidating the digital Single Market** to enable European businesses to leverage its full potential, building on reliability, innovation, connectivity, and skills development.
- Focusing on **implementing and interpreting the new regulatory framework**, including delegated acts, in a **consistent and harmonised manner**, limiting regulatory intervention to situations of genuine market failure.
- Assessing the **impact** of any new legislative proposal **on the innovative ecosystem**, while making sure that, if possible, it sufficiently stimulates innovation.

MAKE THE MOST OF DIGITAL INVESTMENT

- **Considering the digital revolution as a catalyst for decarbonisation and a key instrument** to achieve sustainability and climate change mitigation goals. Digitalisation is also fundamental for innovative research and for

improving the efficiency of processes in all economic areas.

- **Optimising the impact of financial resources**, both public and private, allocated to the digital transition, while advocating for **free and fair competition** in the Single Market.

LEAD THE POTENTIAL OF NEW TECHNOLOGIES

- With regard to the data economy, **exploiting potential synergies** between different regulatory proposals to **ensure data interoperability and reuse**.
- **Advocating for the development** of data spaces, reliable telecom, cloud and edge infrastructures, and regulatory sandboxes, **to enable extensive testing and innovation**.
- **Promoting the EU as the preferred destination for investment and development of AI technology**, emphasising ethical and safe practices through AI regulation.
- Fostering awareness and **strengthening cybersecurity capabilities** across the public and private domains, implementing and developing the legislation adopted in the last legislative term.

6. BOOSTING INNOVATION AS THE BACKBONE OF COMPETITIVENESS

Innovation, a core pillar of competitiveness, has lagged in the EU due to insufficient investment compared to global counterparts. To address the administrative and financial barriers that European businesses have to overcome, the EU institutions need to focus on creating a stable environment and a reliable framework for increased public and private spending on research and innovation through the use of different tools. In particular, we encourage the following:

A REGULATORY FRAMEWORK TO FOSTER INNOVATION

- Supporting investment in research and development, **without creating stifling limitations** on innovation. Businesses should be actively engaged in discussions before any measure is taken to mitigate or reduce risks related to research safety.
- Stimulating innovation through **legislation that promotes technological neutrality and pragmatism** aimed at efficient and effective implementation, ensuring the application of the innovation principle when drafting new legislation, and introducing a European Innovation Stress Test.
- Establishing a regulatory framework encouraging innovation in value chains derived from natural raw materials, to increase the security of their use and their availability in order to unlock the potential of the **bioeconomy** in the European framework.

ENSURE A FRAMEWORK FOR INVESTMENT IN R&D&i

- Under the green transition perspective, **introduce additional incentives for investments** in innovative business models that foster **sustainable growth**.
- Expand application-oriented **industrial research** to accelerate value creation, making it a **robust funding pillar for research and innovation**.
- **Enhancing consistency and synergies between EU programs and national initiatives**, paying special attention to the impact and tangible results of funded projects.
- Establishing **efficient communication channels** with the European Commission to **facilitate business participation**, especially SMEs, in **European R&D programs**.
- **Design European innovation support programs**, notably Horizon Europe, **with enhanced flexibility and simplify and streamline the procedures for participation** in order to strengthen European development plans.
- Promote and facilitate the use of **sandboxes and pilot projects**, particularly involving SMEs, to not only drive business growth but also enhance **scalability**.

7. AN EU BASED ON STRONG SOCIAL DIALOGUE FOSTERING JOB CREATION

The EU has also seen significant regulatory developments in the social and employment field in recent years. What is more, the European Commission committed to strengthening social dialogue and the capacities of the social partners. These are essential elements in addressing the EU's ongoing transformations and challenges, which profoundly impact the functioning of its labour market. The shortage of labour and skills required by the changes in the productive fabric, including those related to the digital transition, calls for multifaceted responses and the involvement of all stakeholders. To ensure that the EU can continue to be the best place to live and work, CEOE counts on European institutions and policy makers to make progress towards:

A LEGISLATIVE TERM FOR REGULATORY IMPLEMENTATION AND SOCIAL DIALOGUE

- After a very prolific legislative term in the social and employment field, during the next one it is necessary to **focus on the proper transposition** of the approved legislation (in areas as relevant as minimum wages, pay transparency and health and safety at work), without unnecessary revisions of legislation and prioritising training and the free movement of workers. Indeed, in recent years we have seen excessive interference by the institutions, both at the European and national levels, in areas intrinsic to the development of businesses, which can hamper their competitiveness and affect job creation and the sustainability of social protection systems.

- Building on the commitments made in the Val Duchesse Declaration (January 2024), to **promote and reinforce the role of social dialogue** at European and national level, as a **tool for finding shared solutions** that are balanced, flexible and in line with the reality of our labour markets. In particular, we support the idea of appointing a **European envoy for social dialogue** or the launch of a **Pact for European Social Dialogue**.
- **Promoting European social dialogue**, including autonomous agreements by European social partners that will serve **as a booster for employment and economic progress** in the EU, reduce inequalities and ensure the role of collective bargaining as an instrument for the self-management of industrial relations. These agreements must contribute to a pragmatic and effective implementation of the European Pillar of Social Rights. In addition, the transposition of EU legislation should allow room for collective bargaining.
- Ensuring that the social partners have **real governance** in **employment, education, vocational training and on-the-job training systems** and that they regain control over **the management of labour relations**, respecting their scope of action.
- The unstoppable development of **AI and algorithmic management** results in numerous challenges and opportunities in the labour market that require the close involvement of

social partners. The use of artificial intelligence in the workplace must be based on the principle of human control and ethical criteria.

A LEGISLATIVE TERM TO BOOST THE LABOUR MARKET

- Facilitating **labour mobility** between Member States by improving the **recognition of qualifications**, both for EU citizens and for third country nationals, and make progress in the creation of a European degree.
- Establishing policies for **orderly, safe and regular migration** to attract talent from third countries. To this end, it is essential to make progress in the development of the Talent Pool and promote the **EU Blue Card** as an essential tool to improve the attractiveness of the EU as a destination for highly qualified workers, while taking measures to **prevent European talent drain** and promote the **return of European talent abroad**, in order to meet the staffing needs of businesses. Priority should also be given to recruiting workers from third countries in an agile and flexible manner.
- **Reducing the mismatch between the offered curricula and the current and future needs** of the labour market, an area in which the involvement of the social partners is particularly important.
- Working towards an **EU Skills and Training Strategy** which, with an integrated approach, enables better coordination of the policies, initiatives and instruments being developed in the Member States. This strategy must refocus the training models for employed and unemployed workers towards a model that puts the qualification needs of workers and businesses at the centre to improve the competitiveness of European businesses, and it must be developed with respect for national realities and competencies and with the active participation of the social partners.

- Deploying the use of **micro-credentials** throughout the EU as a tool to simplify lifelong upskilling and reskilling processes, and develop **individual learning accounts**, quality learning dual systems and the processes for the accreditation of skills acquired through professional experience, as measures that contribute to achieving the objectives of the European Pillar of Social Rights.
- Developing **career guidance systems** for European citizens that support and encourage **lifelong learning** processes. In this regard, the **development of specific European frameworks should be promoted** to enable the correct identification of the skills needed throughout a citizen's life, whether they are acquired through formal, non-formal or informal education, in order to successfully face the challenges posed by the multiple transitions in one's working and personal lives and in society in general.
- Enhancing training in **green and digital transition skills** in school and all formative stages to seize opportunities and make progress in both areas. Thus, emphasis should be placed on increasing the attractiveness of **STEM** (Science, Technology, Engineering and Mathematics) **disciplines** as a vital prerequisite for the functioning and development of innovative businesses, especially SMEs. At the same time, promote the necessary training for the twin transition in sectors with lower educational requirements, to facilitate their lifelong adaptation and labour mobility.
- Making progress in **financial education in all areas** as a factor for social inclusion and an essential tool for empowering citizens, who must deal with a changing reality as a result of digitalisation and the uncertainty of recent years.

8.

A STRENGTHENED FOREIGN POLICY AND AN OPEN TRADE AND INVESTMENT POLICY

The EU must adapt to a new, more uncertain and aggressive global landscape, marked by the Russian war of aggression against Ukraine and the deterioration of the security order in Europe, geopolitical tensions and the quest for global primacy in sectors related to sustainability and digitalisation, among other factors. This trend has led to heightened military tensions, strong international competition in public aid, the adoption of unilateral economic measures, the proliferation of politically motivated trade measures and the erosion of multilateralism. Faced with this new scenario, the EU needs to bolster its foreign policy to defend its political, economic and trade interests effectively. To achieve this, it is essential to move forward on:

MULTILATERALISM: THE BEST APPROACH TO 21ST CENTURY CHALLENGES

- Endorsing robust EU support for **multilateralism** to address global challenges such as climate change, the risk of future pandemics or digitalisation. The EU should forge alliances not only with G7+ countries but also with Latin American and other middle-income countries, as well as the least developed countries, to assert its interests in international organisations and informal forums. In this regard, it is essential to continue supporting the modernisation of the World Trade Organisation (WTO).

STRENGTHEN EU SECURITY ACROSS ALL SECTORS

- Continuing to **strengthen strategic foresight mechanisms to identify and assess risks** in

energy, food security, new technologies and health to avoid future shortages.

- **Ensuring strategic value chains' autonomy and resilience**, without leaving any sector or Member State behind or falling into protectionist temptations.
- In the field of security and defence policy, prioritising the **European defence industry development**, as foreseen in the new European Defence Industrial Strategy, ensuring that capacity building is done in **a coordinated manner** and in line with **investment** needs. In parallel, cyber-security capabilities need to be further strengthened.

BALANCE IN ECONOMIC SECURITY MEASURES

- Preventing **economic security** measures from solely focusing on protection, ensuring a balance with the other two pillars on which the European Strategy on Economic Security is based: **promotion** and the **search for international partners**. In this regard, we suggest establishing an ex-ante consultation with business organisations and businesses to maintain policy coherence and avert unintended effects.
- Preventing **disparities in Member States' legislation** on foreign investment and exports of dual-use goods control to safeguard the integrity of the Single Market and prevent unfair competition.

- Ensuring that any future initiative on **outbound investment** screening is supported by evidence-based empirical analysis, and that the prior collection of information from businesses does not lead to additional reporting requirements.
- Supporting a public-private partnership to enable an exchange of information for the **early detection of risks** that could negatively influence the normal functioning of supply chains, including energy, and critical infrastructures.
- Strengthening internal coordination between the European Commission and the Member States to ensure a **homogeneous interpretation in the application of economic sanctions** against third countries, to avoid dysfunctions in the Single Market and prevent unfair competition. We also recommend that the EU persists in its coordinating efforts with the UK, the US and the rest of the non-European G7+ countries to avoid greater distortions in international trade.

AN OPEN TRADE AND INVESTMENT AGENDA

- Accelerating the ratification of already negotiated **bilateral trade agreements**, pursue ongoing trade negotiations, extend the existing network of agreements to new countries and modernise existing ones. Trade agreements are a **cornerstone for European external action**: they ensure access of European goods, services, data and investment to third markets on a level playing field, and make European industries more resilient by enabling greater diversification of their supply chains and access to sources of energy and raw materials. Their role is also vital in further strengthening bilateral cooperation in other key areas, as evidenced by the EU-Canada Comprehensive and Economic Trade Agreement.
- Fully utilising **existing legal instruments** to protect the EU from economic coercion by third countries and unfair competition in the Single Market before introducing new proposals.
- Supporting the establishment of a **Critical Raw Materials Club** with supplier countries to secure resilient supply chains for our industries.
- Further developing the **Global Gateway** initiative, ensuring that its financial instruments are

more **accessible to businesses**, to facilitate the development of strategic projects in connectivity, climate and energy, transport, health, education and research.

FOSTER TRADE RELATIONS WITH KEY PARTNERS

- Considering the strong economic ties with the **United States**, strengthening close bilateral cooperation, making progress in resolving outstanding trade disputes, and ensuring the successful conclusion of ongoing negotiations. It is also necessary to continue coordinating export controls on dual-use goods and foreign investment scrutiny and deepening cooperation in the areas in which the Trade and Technology Council (TTC) works.
- The **People's Republic of China** is, together with the US, the second largest market with which the EU does not have a trade agreement under negotiation or in force. Therefore, close contact must be maintained with the Chinese authorities to eliminate non-tariff barriers and reduce the strong trade imbalance, as well as to identify areas for cooperation.
- Intensifying EU-**Latin America and the Caribbean** relations following the milestone that the 3rd EU-CELAC Summit, held last year under the Spanish Presidency of the Council, represented in the reactivation of bi-regional relations. These closer ties should result in the ratification of pending trade agreements and the development of transformative projects in the region.

RELATIONS WITH EU NEIGHBOURHOOD AND ENLARGEMENT

- Strengthening relations with **EU's neighbouring countries**, particularly **North African** countries, whose political stability and economic prosperity are key to the security and economic development of the Mediterranean basin. We also advocate for the bolstering of economic and trade relations with the **United Kingdom** within the framework of the Trade and Cooperation Agreement, and we endorse the opening of negotiations with **Switzerland** to modernise the framework for economic and trade relations.
- For **enlargement** to be a "geostrategic investment in peace, security, stability and prosperity", as stated in the "Granada Declaration" (10/23), undertaking the **necessary EU**

governance reforms, in terms of budget and institutional structure, **while also properly strengthening and preparing the Single Market** before integrating new members. At the same time, we call for the necessary financial

support and assistance to be provided to the candidate countries to accelerate the reform of their governance models and criteria to join the EU.

9. A STRATEGIC SPAIN WITHIN AN AGILE INSTITUTIONAL FRAMEWORK

At CEOE, European affairs have always been a priority. We have been working to ensure that Spanish businesses of all sizes and sectors have a voice in the EU, by participating in honest and constructive dialogue with different institutions and collaborating, to achieve collective objectives in favour of the Spanish economy and citizens. Therefore, CEOE seeks to contribute with several proposals to the strengthening of Spain's voice at the European institutional level and to the effective development of a European agenda in favour of competitiveness:

TURN SPANISH CHALLENGES AND STRENGTHS INTO EUROPEAN PRIORITIES

- Spain leads in quality, productivity, environmental and social commitment, development, and innovation across various sectors including **tourism**, the **textile industry**, **retail trade**, the **agri-food** sector, **infrastructure**, those that make up the **blue economy**, **culture and sport**. Together, we must promote them, ensuring their relevance is transferred to the European institutional framework as critical factors for the transformation and resilience of the Spanish and European economies.
- Hence, it is imperative that **the challenges and strengths of the Spanish economy** take a centre stage in the European political and legislative **agenda**. This prioritisation must be accompanied by the necessary institutional space, both within the framework of the new College of Commissioners and the European

Commission's organisational chart, as well as in terms of representation in the European Parliament.

- Building on the momentum and prolific work carried out during the Spanish Presidency of the Council, a **strong and proactive stance in Council negotiations should be maintained for this new cycle**. In this sense, **strengthening collaboration with other Member States** on initiatives or policies of shared interest would be a positive development.

A CONSISTENT AND AGILE INSTITUTIONAL STRUCTURE

- The **structure of the next European Commission** must align with identified challenges, ensuring vice-presidencies that strengthen and coordinate matters related to the relaunch of competitiveness and the strengthening of the Single Market. There is a need for improved coordination and agility between the different Directorates-General to guarantee the **development of quality and consistent legislation and policies**, as well as swift legislative implementation.
- In the 10th European legislative term, configuring and defining the competences of the different European Parliament Committees should ensure an adequate and balanced distribution of matters, avoiding ambiguities and overlaps. Likewise, we advocate for an active membership of **Spanish MEPs** in those

parliamentary committees addressing **fundamental matters for the Spanish economy**.

STRENGTHEN PUBLIC-PRIVATE PARTNERSHIPS ALSO AT THE EUROPEAN LEVEL

- Just as at national level, public-private partnerships are essential at European level. Therefore, CEOE and its members offer their support to consolidate **Spain's voice in the EU, strengthening both dialogue and the proactivity of Spanish stakeholders**. Enhancing

collaborative efforts between Spanish policymakers, social partners and business representatives at the European level to understand the needs and proposals of the Spanish business community would increase our influence in the EU. This would enable Spain to act swiftly in the decision-making process, leveraging the knowledge and experience of the private sector to advocate for the country's collective interests.



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