



Brussels, 2 February 2016
(OR. en)

EUCO 6/16

NOTE

To: Delegations

Subject: Draft European Council Declaration on Competitiveness

Delegations will find attached the draft European Council Declaration on competitiveness.

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**EUROPEAN COUNCIL DECLARATION
ON COMPETITIVENESS**

Europe must become more competitive if we are to generate growth and jobs. Although this goal has been at the heart of EU activities in recent years, the European Council is convinced more can be done in order to exploit fully the potential of all strands of the single market, promote a climate of entrepreneurship and job creation, invest and equip our economies for the future, facilitate international trade, and make the Union a more attractive partner.

The European Council highlights the enormous value of the internal market as an area without frontiers within which goods, persons, services and capital move unhindered. This constitutes one of the Union's greatest achievements. In these times of economic and social challenges, we need to breathe new life into the internal market and adapt it to keep pace with our changing environment. Europe must boost its international competitiveness across the board in services and products and in key areas such as energy and the digital single market.

The European Council urges all EU institutions and Member States to strive for better regulation and to repeal unnecessary legislation in order to enhance EU competitiveness while having due regard to the need to maintain high standards of consumer, employee, health and environmental protection. This is a key driver to deliver economic growth, foster competitiveness and job creation. The focus must be on:

- a strong commitment to regulatory simplification burden reduction, including through withdrawal or repeal of legislation where appropriate, and a better use of impact assessment and ex-post evaluation throughout the legislative cycle, at the EU and national levels. This work should build on the progress already made with the Regulatory Fitness Programme (REFIT);
- doing more to reduce the overall burden of EU regulation, especially on SMEs and micro-enterprises;
- establishing where feasible burden reduction targets in key sectors, with commitments by EU institutions and Member States.

The European Council welcomes the Commission's commitment to review every year the success of the Union's efforts to simplify legislation, avoid over-regulation and reduce burdens on business. This annual overview done in support of the Commission's REFIT program will include an Annual Burden Survey and also look at the stock of existing EU law.

The European Council also asks the Council to examine the annual reviews conducted by the Commission under its Declaration on Subsidiarity with a view to ensuring that these are given appropriate follow up in the different areas of the Union's activities. It invites the Commission to propose repealing measures that are inconsistent with the principle of subsidiarity or that impose a disproportionate regulatory burden.

The European Council stresses the importance of a strong, rules-based multilateral trading system and the need to conclude ambitious bilateral trade and investment agreements with third countries, in a spirit of reciprocity and mutual benefit. In this context it welcomes the recent agreement reached by the WTO in Nairobi. Work must be advanced in negotiations with the US, Japan and key partners in Latin America, and in the Asia-Pacific region. Trade must benefit all, consumers, workers and economic operators alike. The new trade strategy ("Trade for All: Towards a more responsible trade and investment policy") is a crucial component.

The European Council will keep developments under review and asks the General Affairs Council and the Competitiveness Council to regularly evaluate progress on the various elements set out in this Declaration.
