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Speech

Ladies and gentlemen, thank you to Eurofi for inviting me to this spring's edition of your conference.

It is an honour for me to join you in Warsaw today to share my views on how and why the European Commission is committed to preserving and enhancing Europe's competitiveness at this pivotal moment.

Allow me to begin with the bigger picture.

The world is rapidly changing before our eyes, in ways we have not seen since most, if not all of us in this room, can remember.

We are all witnessing dramatic shifts in the geopolitical landscape.

For decades, economic integration, trade liberalisation and cross-border production have been drivers of economic growth and prosperity.

Today, globalisation, and the very foundations of global trade, are facing their most significant challenge of the modern era: President Trump's universal tariffs on almost the whole world.

Europe did not start this confrontation.

Europe does not want this confrontation.

The EU is committed to constructive negotiations with the US to achieve frictionless and mutually beneficial trade.

We have already offered zero-for-zero tariffs for industrial goods in

the belief that this represents a good deal for both us and the US.

In this sense, we welcome yesterday's announcement from President Trump to give a 90 day pause to a part of reciprocal tariffs.

However, the 10% reciprocal tariffs remain in place, and they still represent a blow to the global economy.

Tariffs are taxes that only hurt businesses and consumers.

That's why the European Union has shown restraint.

Yesterday, EU countries approved a limited set of retaliatory tariffs on US goods as a proportionate response to the US's steel and aluminium tariffs.

However, we will now put these countermeasures on hold for 90 days to give negotiations a chance.

All options remain on the table.

If negotiations are not satisfactory, these countermeasures will come into effect.

Our preparatory work on further countermeasures continues.

But, of course, this is not our first choice.

Bettering our relationship would be logical against the background of the deep and longstanding transatlantic trade relationship, worth €1.6 trillion in 2023, the largest trading relationship in the world.

The past days have shown that financial markets apparently

agree with this analysis.

Investors have shown confusion and concern, with massive selloffs in the US, Asia and Europe, and volatility indexes spiking to levels not seen since the early days of the COVID-19 pandemic.

The decision to pause reciprocal tariffs is also an important step towards stabilising the global economy.

So once again – we say to the US – there is no need to hurt your economy and ours.

There is no need to hurt the global economy.

We are ready to negotiate a mutually acceptable outcome.

At the same time, the EU will double down in investing in its own strength.

Firstly, our Single Market: Europe's catalyst of growth.

Deepening our Single Market and further reducing barriers is long overdue.

Scale matters.

So, we have to act now to tear down remaining barriers to build a Single Market that goes big.

We intend to do so.

A more integrated Single Market is also crucial to encourage our innovative companies to stay and scale-up in Europe.

Second, we will continue to diversify our trade with other partners in order to strengthen our economic competitiveness and security.

Here, we have a unique advantage.

The EU is a reliable and predictable trading partner that honours its commitments.

And we offer access to the largest market in the world, home to 450 million consumers.

The EU already has trade agreements in place with 76 countries.

We have recently finalised negotiations for a groundbreaking EU-Mercosur partnership agreement, concluded negotiations on a modernised Global Agreement with Mexico and deepened and expanded the EU-Switzerland relationship.

We continue negotiations with India, Thailand, The Philippines, Indonesia and others.

The EU's trade agreements can act as platforms for enhanced cooperation for pursuing our values and interests.

They are the basis for engagement with important markets and countries around the world.

We will build on strengthening our trading network and further leverage win-win partnerships across the world.

Third, we will re-ignite Europe's economic dynamism by investing in a broader competitiveness agenda.

The adversity that we face right now provides a strong impetus for the EU to act more decisively.

We know that the EU project has been shaped from crisis to crisis.

Never let a good crisis go to waste, as the saying goes.

This is why the Commission has prioritised:

- investing in innovation,
- reducing energy prices,
- increasing access to finance,
- improving skills, and securing critical raw materials, to name a few priorities.

The Competitiveness Compass, issued in January, details all of these aspects and more.

This sets out a strategic roadmap

aimed at restoring Europe's dynamism and enhancing economic growth.

Cutting red tape through simplification is a central component of the Competitiveness Compass and the Commission's broader strategy to build a more competitive Europe.

As Commissioner for Implementation and Simplification, I am responsible for coordinating the Commission's work on this important agenda.

The past five years were a period of intense regulatory activity.

This has generated a large and still expanding regulatory burden.

As we now take stock, we see that this accumulation of rules, and their increased complexity, have become problems in themselves.

Simplification is about making sure that our rules help deliver – rather than impede – the achievement of our economic, social, environmental and security goals.

It is about achieving those goals more efficiently, in a smarter and less burdensome way.

Our overall objective is clear: reducing bureaucracy to facilitate more innovation and investment in order to safeguard our long-term prosperity and security.

Today, regulation is seen by more than 60% of EU companies as an obstacle to investment.

55% of SMEs flag regulatory obstacles and administrative burdens as their greatest challenge.

This is simply unacceptable.

These businesses are Europe's economic engine.

They are the ones who innovate, invest and create jobs.

Overwhelming them with a huge volume of regulatory demands serves to freeze innovation, deter investment and put jobs at risk.

In other words, our economic engine is stuttering because we are preventing it from working as it should.

This in turn makes our citizens less prosperous and undermines our ability to achieve our economic, social and environmental goals.

We cannot hope to successfully compete in a perilous world with one hand behind our backs.

While the challenge is great, the level of our ambition is equal to it.

EUROSTAT has approximated the baseline of overall recurring administrative costs for companies and administrations in the EU at €150 billion annually.

We have set out ambitious targets reducing those administrative costs: reducing them by 25% for all companies and 35% for SMEs.

This translates into cutting roughly €37.5 billion in annual administrative costs by the end of this Commission's mandate.

We have already presented the first two proposals to simplify EU rules in the fields of sustainability reporting, sustainability due-diligence, taxonomy and public investments.

Briefly, these packages provide for:

- “stop-the-clock” proposals to delay the application of the Corporate Sustainability Reporting Directive (CSRD) for companies that have not started reporting yet and delaying the transposition and application of the Corporate Sustainability Due Diligence Directive (CSDDD).
- freeing around 80% of companies currently under the scope of the CSRD from very burdensome reporting requirements.
- making Taxonomy reporting more proportionate by limiting mandatory reporting only to very large companies and simplify reporting tables for all.
- bringing more clarity into the due diligence obligations that companies must apply at different levels, and fostering their continued engagement to bring about improvements in value chains.

- a major simplification to the Carbon Border Adjustment Mechanism (CBAM) to exempt from obligations approximately 182,000 or 90% of importers, most of which are SMEs.

When fully adopted, these proposals will bring – at a conservative estimate – €6.3 billion in annual savings to businesses.

But this is just the start.

We will continue our efforts across every policy area throughout the five years ahead.

My role as Commissioner for Implementation and Simplification necessarily involves intensive engagement with representatives from businesses – large and small – industry, and the corporate world.

We have been listening – seeking their views on what real changes can make a real difference on the ground for people and businesses.

That is why I welcomed the opportunity to be here today to engage with representatives from the financial sector.

Finally, a word on the digital euro project.

Europe needs to be at the forefront of embracing the digital age and making the most of all the opportunities that it offers.

Our monetary system, with its common currency at its heart, must also adapt to a digitalised future.

The digital euro will play an important role in modernising and securing the resilience of EU payments market.

It will safeguard the important role of public money in our society and be an engine for competition and innovation in the European payments market and the wider economy while preserving citizens' privacy.

Recent developments in current more complex, conflictual world have also underline the urgency of making progress on the introduction of the digital euro.

The digital euro can be an important pillar in strengthening

the EU's strategic autonomy by increasing the euro's resilience vis-à-vis other currencies, payment systems, third country Central Bank Denominated Currencies and "stablecoins" not denominated in euro.

We simply cannot afford to cede technological control over the EU's economy entirely to others.

The European Commission's proposals on the establishment of the digital euro are currently under discussion in the Council and the Parliament.

I am hopeful, especially given the impetus that current global developments are providing, that we

can make important progress on the digital euro in the months ahead.

To conclude, ladies and gentlemen, now is the time for action.

I am convinced that Europe will rise to meet the challenges ahead, as we have done in the past.

We will seize this opportunity to build a stronger and more competitive Europe.

The work has already begun.

We are determined to see it through to the end.

Thank you.