

26 November 2015

Dear First Vice-President Timmermans,

As you know, the European economy is at a pivotal moment. In many countries economic recovery is on the way. But it is not secured for the long term. The challenge of global competition is intense. We must rise to this and deliver new sources of growth and productivity, unleashing the potential of all businesses from the smallest start-ups to the biggest multinationals.

This requires real change. Our regulatory system needs to be fit for the 21<sup>st</sup> century. This means better and simpler regulation. Unnecessary burdens in EU legislation must be removed while always taking into account proper protection of consumers, health, the environment, employees and financial market stability and respecting existing protection standards.

We welcome your leadership and the more strategic approach already taken by this Commission in pursuit of this objective. We welcome the streamlined 2016 Commission Work Programme and its focus on competitiveness. We also welcome the Commission's commitment to the 'Think Small First' principle, and the resultant improvements already delivered, and hope we can use the ongoing negotiations on the Inter-Institutional Agreement on Better Regulation to obtain equally strong commitments from the Council and European Parliament. However, we feel this could be further strengthened to ensure that this commitment translates into action.

We support your commitment to better regulation. Like you, we recognise the need to address the quality of EU legislation as well as to reduce its overall regulatory burden, without undermining its policy goals. This must include both the existing acquis and new proposals in order to ensure that EU regulation is transparent, simple and is achieved at minimum cost, while fostering competitiveness, growth and jobs.

We must build on the momentum for change in our regulatory culture and ensure that progress is never rolled back. It must nourish entrepreneurship and innovation, and provide for the future prosperity of all our citizens.

You have demonstrated great ambition in the reforms you have already introduced and in your better regulation package of May 2015. But one particular – and essential – reform is still missing: we now need to establish targets for reducing the burden of regulation in particularly burdensome areas, in line with the conclusions of the Competitiveness and European Councils.

At the same time we recognise that all institutions have a responsibility to reduce the burden of regulation on businesses, such as by supporting the effective implementation of reduction targets once agreed and introduced. Many Member States have successfully introduced burden reduction targets in their national better regulation efforts which can inspire targets at a European level.

The introduction of such burden reduction targets would mark a major step forward in our approach to smarter regulation. This would of course be fully in accordance with the principles of the single market. The effects would be clearly experienced by our businesses and economies and would impact on the way the EU is perceived by our citizens. The Union must concentrate its action on areas where it makes a real difference; it should refrain from taking action when Member States can better achieve the same objectives.

Given the leadership you have already shown on this agenda, and in the spirit of a joint commitment on better regulation we look forward to a discussion with you on these matters at the Competitiveness Council on 30 November.

Dr Reinhold Mitterlehner, Vice-Chancellor and Federal Minister for Science,  
Research and Economy  
Austria

Vladislav Goranov, Minister for Finance  
Bojidar Lukarski, Minister for Economy  
Bulgaria

Ivan Vrdoljak, Minister of the Economy  
Republic of Croatia

Constantinos Petrides, Deputy Minister to the President  
Cyprus

Jan Mládek, Minister of Industry and Trade  
Czech Republic

Troels Lund Poulsen, Minister for Business and Growth  
Claus Hjort Frederiksen, Minister of Finance  
Denmark

Alexander Stubb, Minister of Finance  
Jari Lindström, Minister of Justice and Employment  
Finland

Emmanuel Macron, Minister for the Economy, Industry and Digital Affairs  
France

Sigmar Gabriel, Federal Minister for Economic Affairs and Energy  
Germany

Mihály Varga, Minister for National Economy  
Hungary

Dara Murphy, Minister of State at the Departments of the Taoiseach and  
Foreign Affairs  
Ireland

Maria Anna Madia, Minister of Simplification and Public Administration  
Federica Guidi, Minister of Economic Development  
Sandro Gozi, State Secretary in charge of European Affairs  
Italy

Evaldas Gustas, Minister of Economy  
Rimantas Šadžius, Minister of Finance  
Republic of Lithuania

Christian Cardona, Minister for the Economy, Investment and Small Business  
Professor Edward Scicluna, Minister for Finance  
Malta

Vazil Hudák, Minister of Economy  
Slovak Republic

Boris Koprivnikar, Minister of Public Administration  
Slovenia

Luis de Guindos, Minister for Economic Affairs and Competitiveness  
Spain

Mikael Damberg, Minister for Enterprise and Innovation  
Sweden

Sajid Javid, Secretary of State for Business, Innovation and Skills  
George Osborne, Chancellor of the Exchequer  
United Kingdom