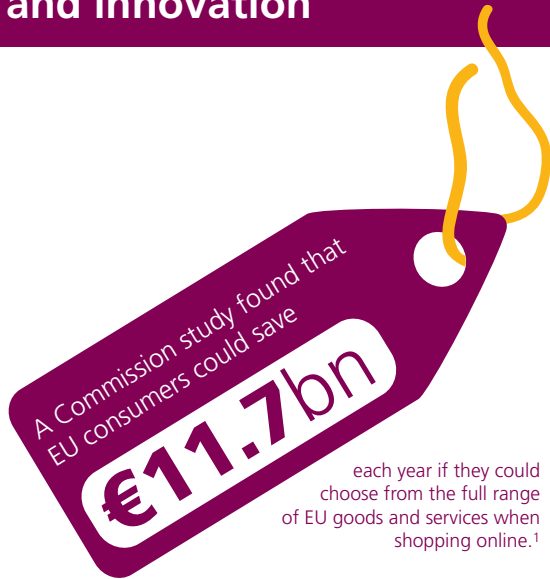


The digital economy and innovation

We now make, sell, buy, connect and socialise in the **digital world**, but EU regulation isn't keeping up with the pace of change.

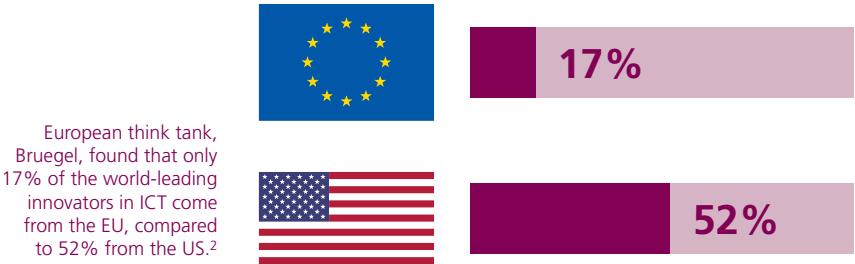
Existing barriers to e-commerce—in the form of labelling rules, regulation of sales promotion and online establishment, and unreliable parcel delivery services—should be removed. EU rules should be fit for the digital age, making it as easy as possible for everyone to do business online.



.....

Companies in the EU can't compete with the rest of the world on price alone, and so they must **innovate** if they want to succeed.

We should ensure that research and innovation funding focuses on excellence and is accessible to SMEs. EU regulation must be flexible and based on the latest scientific evidence—overly prescriptive or confusing legislation stops entrepreneurs from launching ground-breaking products or business models.



Reforming the single market

The challenge facing the European Union is how to create a competitive environment which will deliver prosperity for its citizens. Following the financial crisis we are beginning to see a recovery, but it remains fragile, and unemployment is still too high. In an increasingly competitive global economy, Europe needs to take advantage of its position as the world's largest trading bloc to meet the expectations of consumers and businesses alike.

New technologies are transforming how we live our lives, and the development of the online economy offers people more opportunities than ever before to buy, sell, and communicate across borders. To benefit from the 90% of growth generated outside Europe, we must use the pull of the single market to conclude deals with our major trading partners, which will also boost our own competitiveness. Events in our neighbourhood and the threat of climate change remind us of the need for affordable, secure and sustainable energy. We must make sure that our financial systems are stable and that another crisis like the last one never happens again.

Over the next 15 years Europe's share of global output is forecast to halve. It's clear that the EU needs a more dynamic, innovative and open single market.

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For more information, please contact the UK Representation to the European Union: ukrep@fco.gov.uk.

Reforming the single market

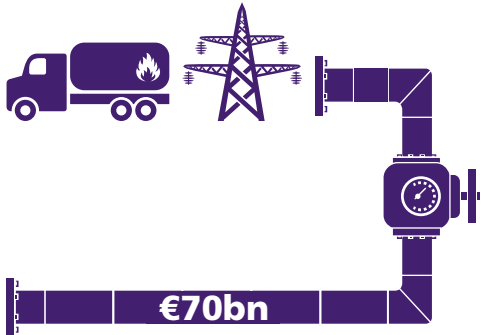


Energy security and climate change

Consumers and businesses demand affordable, secure and sustainable **energy**.

We need to complete the internal market for energy by investing in new infrastructure, including cross-border interconnectors, as well as by fully implementing the Third Energy Package.

Developing a more integrated energy market could improve security and efficiency by letting gas and electricity flow to where it is most needed...

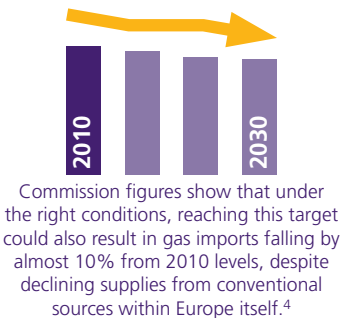


Investors must have certainty if they are to build the infrastructure needed to meet our **energy security and climate change** objectives.

We must agree an ambitious 2030 climate and energy framework that has, at its heart, a single greenhouse gas reduction target of at least 40% and a fully functioning EU Emissions Trading System.



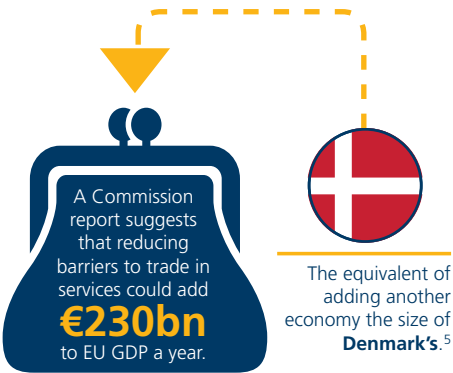
A 40% greenhouse gas target will allow us to meet our climate objectives cost-effectively and unlock urgently needed investments in our low carbon infrastructure.



Deepening the single market and increasing trade

The **single market** in goods and services is the engine of Europe's economy, but barriers remain that stop people from buying and selling easily across borders, particularly in services.

In the next 18 months, the Commission should propose targeted legislation to remove remaining barriers, starting in the construction and business services sectors.



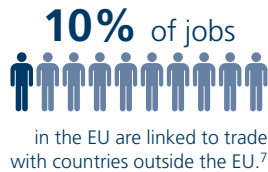
The ECB, the Commission and a number of Member States are calling for action to promote transparent and well-regulated securitisation. This could unlock an extra

Europe is leaving behind the worst **financial crisis** for a generation, but many countries still have high debt, high unemployment, and low growth.



of sustainable long-term financing for the economy—crucial for allowing finance to be used where it's needed most, helping European businesses to invest.⁶

The EU should ensure financial services support the real economy—providing a stable financial system that avoids taxpayer bailouts and breaking down the barriers that prevent credit flowing across borders and to SMEs.



To compete and give consumers a better deal we need to place **free trade** at the heart of our agenda. The EU should conclude ambitious free trade agreements with the US and Japan, and launch negotiations with China.

According to the Centre for Economic Policy Research⁸, a TTIP deal would have a greater impact than all of the other trade deals on the table put together and could give European households an extra

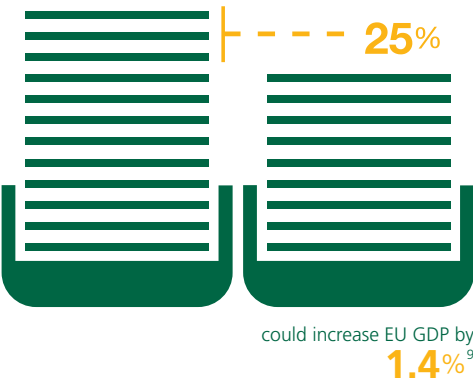


Better regulation

Regulation underpins the single market and protects consumers and the environment, but businesses need to be allowed to get on with creating jobs without being overly burdened. Uncompetitive companies mean higher prices for consumers and ground lost to international rivals.

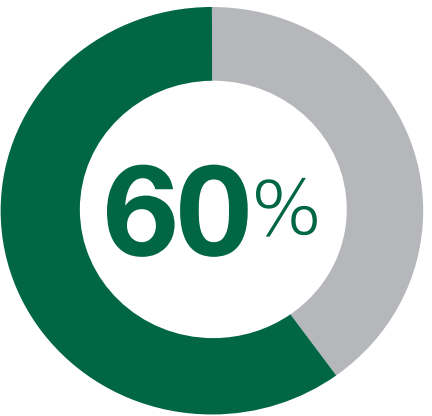
The new Commission should commit to a target for the reduction of regulatory burdens so that it has to tackle both administrative and compliance costs for businesses.

Commission figures show that cutting administrative burdens by



Legislation is too often produced without fully understanding its likely **impact on businesses and consumers**, nor whether action at EU level is strictly necessary.

The Commission should do a meaningful consultation on the basis of a draft impact assessment before producing any new legislative proposals. A single independent impact assessment board should be established that scrutinises impact assessments before proposals are adopted and again if the proposal is significantly changed during negotiations.



A CBI study revealed that 60% of firms say they would be more likely to re-shore industry and jobs if EU regulation was improved.¹⁰