

Single market strategy 2025

Feedback on: Call for evidence

Tradition.
Innovation.
Quality.



The Industrieverband Schneid- und Haushaltwaren (IVSH) represents the interests of the German and beyond manufacturers of cutting and household goods, a sector known for its strong traditions, high-quality craftsmanship and excellence, and innovative capabilities. Our industry is an integral part of the European market, contributing to employment, economic growth, and the maintenance of high product standards. Many of our members are SMEs that rely on a well-functioning, efficient and harmonized internal market to remain competitive.

We welcome and support the European Commission's initiative to further develop the Single Market. While significant progress has been made since its inception, companies still face substantial barriers that hinder efficiency and competitiveness. These obstacles particularly affect SMEs, which often lack the resources to navigate complex regulatory frameworks across multiple member states. A streamlined, harmonized, and modernized Single Market is crucial for fostering economic growth and innovation. Please find our specific recommendations in the file attached.

Key Challenges and Recommendations

1. Diverging Implementation and Interpretation of EU Law

Despite harmonization efforts, European regulations are still implemented and interpreted differently across member states. This creates legal uncertainty and additional compliance costs for businesses. A prominent example is the regulation of food contact materials, where varying national requirements cause inefficiencies and hinder smooth market access. We urge the Commission to enhance consistency in implementation through better coordination and enforcement and most importantly to lower barriers and regulatory requirements in this regard.

2. Overly Complex Regulations Leading to Bureaucratic Burdens

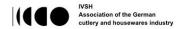
Even in harmonized fields, regulatory frameworks often impose excessive bureaucratic burdens, particularly on SMEs. Regulations such as the General Product Safety Regulation (GPSR, EUDR, ...) impose extensive documentation and compliance requirements that are disproportionately difficult for smaller businesses to manage. Simplification and proportionality must be guiding principles in regulatory design to ensure SMEs can comply without being overwhelmed.

3. Need for Centralized and Digitalized Administrative Procedures

The administrative burden on companies could be significantly reduced through centralized and digitalized procedures at the relevant level. A unified electronic system for declarations, and "must have" compliance documentation could improve efficiency and transparency while reducing duplication and administrative costs.

4. Discrimination Against Foreign Service Providers

Intra- EU foreign service providers continue to face discrimination in various EU member states, with differing levels of intensity. National regulations often create unjustified barriers to intra-EU cross-border service provision, limiting market access and undermining the core



principles of the Single Market, especially for SME. We call for stronger enforcement of non-discrimination rules and improved mechanisms to resolve such issues.

5. Complex and Redundant Reporting Obligations

Companies are subject to a multitude of reporting and notification obligations, which are often complex, redundant, and inconsistently applied across sectors and member states. The lack of harmonization leads to inefficiencies and unnecessary costs. We urge the Commission to streamline and reduce reporting requirements and ensure that obligations are proportionate and aligned across industries and are suited to meet the needs of SME and their restricted resources.

6. Diverging Packaging and Labeling Requirements

For the consumer goods industry, which delivers to multiple EU countries, differing national requirements for packaging, labeling, and reporting obligations pose significant challenges. National solutions, such as those implemented in France and Spain, create additional burdens for companies and hinder the seamless movement of goods within the Single Market.

7. Simplification of Intrastat Reporting

The statistical reporting obligations under Intrastat impose an additional bureaucratic burden on businesses. We strongly advocate for the rapid implementation of the 'one-flow system' to simplify reporting processes and reduce administrative overhead.

8. Elimination of Burdensome and Inconsistently Enforced Requirements, Particularly CSRD

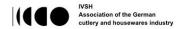
Strongly burdensome regulations, such as the Corporate Sustainability Reporting Directive (CSRD), impose significant compliance costs and are expected to be enforced differently across member states. This results in legal uncertainty and disproportionate reporting obligations, especially for SMEs. We call for a significant simplification and harmonization of such requirements, or even better the withdraw (while holding companies legally responsible - as it is already the case).

9. Diverging Legal Interpretations in E-Commerce

In the e-commerce sector, businesses face significant challenges due to differing legal interpretations and enforcement across EU member states. This results in fragmented compliance requirements, creating additional barriers for companies operating in multiple markets ("gold plating" in some countries). A consistent, harmonized legal framework for e-commerce is essential to facilitate cross-border trade and ensure fair competition within the Single Market.

10. Concerns Over Delegated and Implementing Acts Undermining Legal Stability

We are increasingly concerned that the legal framework of the Single Market is shifting towards rigid regulation due to the growing use of delegated and implementing acts. These acts often introduce highly detailed, legally binding provisions by the Commission, reducing



flexibility and e.g. weakening the role of harmonized European standards (hEN). There is a risk of reverting to the overly rigid regulatory environment that existed before the 1985 Single Market reforms.

11. Diverging Interpretation of GPSR, Particularly Warning Labeling Requirements

The expected variations in the interpretation of the General Product Safety Regulation (GPSR) pose significant compliance challenges. In particular, differences in the requirements for warning labels, etc. among EU member states could lead to inconsistent enforcement, additional costs, and barriers to market access. We call for a uniform approach to GPSR implementation to ensure legal certainty and reduce unnecessary administrative burdens.

12. Strengthening Competitiveness in the EU: A Strategic Priority

The European Commission should place a stronger focus on strengthening the international competitiveness of European industries. Therefore, we absolutely welcome the competitiveness compass and urge for swift implementation of the presented measures. A well-functioning Single Market is a crucial pillar, but additional measures are needed to reduce regulatory complexity, improve access to raw materials, and support innovation-driven growth. We emphasize the importance of targeted industrial policies that enhance the global standing of European manufacturers while ensuring fair competition within the EU.

13. Balanced Consumer Protection and Business Viability

Consumer protection is a vital aspect of the Single Market, but excessive and disproportionate regulatory requirements can undermine business viability. It is essential to strike a balance between protecting consumer rights and ensuring that businesses, particularly SMEs, can operate efficiently. The Commission should work more closely with industry representatives to develop regulations that are both effective and practically efficient.

Conclusion

The IVSH strongly supports the Commission's efforts to strengthen and improve the Single Market. Addressing the challenges outlined above would enhance competitiveness, reduce administrative burdens, and ensure a fair and level playing field for all businesses. We encourage the Commission to take bold steps toward a more harmonized, digitalized, and efficient regulatory environment that enables European industry to thrive again. Additionally, we draw attention to further insights gathered through the DIHK survey on Single Market barriers 2024, in which many of our member companies participated, as well as the findings from our IVSH Bureaucracy Monitor, which highlights numerous proposals for reducing bureaucratic obstacles.

Most importantly, the needs of SMEs and the medium-sized industry must be given far greater consideration than has been the case so far. The top priority must be to reduce burdens on them (as outlined in the EU's Competition Policy Compass), and the Single Market strategy can play a crucial role in achieving this goal.

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The IVSH sees itself as a state-of-the-art, constructive and efficient platform for bundling and focusing the interests, topics and potential of our industry.

Strengthening the competitiveness of our members is always at the forefront and has top priority.

Contact

Industrieverband Schneid- und Haushaltwaren e.V.

Neuenhofer Straße 24 D-42657 Solingen Tel.: +4921222673-0

E-Mail: <u>info@ivsh.de</u> <u>www.ivsh.de</u>



