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EU Issue Tracker

Post-Hearing Insights: What the New EU Commission Means for Business and Policy



What the New EU Commission Means for Business and Policy

From November 4-12, the European Parliament conducted hearings for 20 commissioners-designate and six executive vice-presidents-designate. Together with European Commission President Ursula von der Leyen, they will form the executive branch of the EU from 2024 to 2029, the College of Commissioners.

After complications in the confirmation process stemming from the power dynamics following last June's elections, the new College is expected to take office on December 1. Read on to discover what to expect from this new Commission and the main topics that will shape the EU's policymaking over the next five years.

New Cornerstone: Competitiveness

References to the Green Deal were not prevalent during this year's hearings, mainly due to criticism of stringent environmental rules that ostensibly undermine EU business competitiveness.

While the Green Deal is still embedded in policy decision-making, the insights offered by the Letta and Draghi reports reflect the importance of competitiveness as the Commission's focus for the next political agenda. Now every Commissioner-designate, regardless of their portfolio, is tasked with enhancing the competitiveness across the EU.

There will be a significant reduction in bureaucracy, with pledges to work toward diminishing the administrative burden for businesses and boosting digitalisation efforts. Commissioner Valdis Dombrovskis committed to reducing the administrative burden by 25 percent in general, and 35 percent for SMEs. He affirmed that the new Commission would adopt the "one in, one out" principle in its policy-making. This means that, for every new piece of legislation introduced, an existing one must be rendered obsolete or repealed.

There will be a focus on leveraging investments since the EU economy has difficulty leveraging venture and risk capital, affecting its capacity to innovate. Consequently, the forthcoming Commission will eliminate obstacles hampering private investments. Public investment will also be crucial, with Commissioners-designate emphasising the importance of maximising budgets within the next Multiannual Financial Framework. Commissioners-designate responsible for portfolios including defence, energy, research, and industry have all committed to rapidly developing investment plans that draw from public and private sources.

To enhance the competitiveness of EU enterprises, especially SMEs, the next Commission is anticipated to propose the establishment of a 28th Regime in line with the Letta Report. This will be accomplished in collaboration with Vice-President Stéphane Séjourné and Commissioners Michael McGrath and Valdis Dombrovskis, and aims to reduce fragmentation within the single market. The objective is to establish a new legal framework that enables businesses to operate more effectively across the single market, introducing initiatives such as a European Company Statute, a European contract law, and a unitary patent system.

Turning Green into Gold: Leveraging Environmental Policies for Economic Competitiveness

The new mandate will lead to new ambitious climate targets, including the goal of achieving a net 90 percent emission reduction target by 2040. While strengthening climate action policies in the post-2030 framework aims to boost crisis preparedness and climate resilience, there will be a new focus on growing competitiveness and innovation.

One of these crucial future initiatives will be the Clean Industrial Deal, which will help industries decarbonise, allow access to affordable energy, and incentivise clean investments. Commissioner Wopke Hoekstra will deliver this plan in collaboration with Executive Vice-Presidents Stéphane Séjourné and Teresa Ribera, and Commissioners Jessika Roswall and Dan Jørgensen. Together, they are aiming to develop a strategy to achieve net zero emissions by 2050, while helping the business sector manage the process of greening industries.

The Affordable Energy Plan is another notable initiative to lower energy prices, led by Commissioners Séjourné and Jørgensen. Additionally, to further address concerns about climate risks and to facilitate the green transition, private funds from the European Investment Bank will be blended with the Social Climate Fund and Just Transition Fund.

Increasing Security and Defence

In the next five years, the Commission will concentrate on increasing security and defence, promoting collaboration with regional powers, and expanding involvement in the neighbourhood. The Commissioner for the Mediterranean role is a new opportunity to strengthen economic integration and mutually beneficial partnerships, especially regarding energy and human capital. Commissioners-designate Dubravka Šuica, Magnus Brunner and High Representative Kaja Kallas will deal with the EU's demographic challenge and strengthen border management through new initiatives, including the Pact for the Mediterranean and the implementation of the Asylum and Migration Pact.

Commissioner-designate Maros Šefčovič will continue to uphold free trade values and utilise Trade Defence Instruments — for instance, the Carbon Border Adjustments Mechanism, or tariffs — to ensure the protection of the single market against unjust practices. Forging new

partnerships is essential to diversify supply roads and especially to secure new supplies of critical raw materials and decrease reliance on single suppliers outside of the EU.

In light of threats at its eastern border, Commissioner Andrius Kubilius, the first ever Defence Commissioner, plans to augment investments in defence and bolster the Bloc defence industry by encouraging joint procurement of EU-manufactured equipment. The overarching concept is to maintain a competitive industry within the defence sector while promoting interoperable armies across its Member States.



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