



Single Market Emergency Instrument (SMEI)

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Political context

- Call by the European Council to draw lessons from COVID-19 pandemic and to build a more robust and resilient economic base
 - European Council in its Conclusions of 1-2 October 2020 stated that the EU will draw the lessons from the COVID-19 crisis and address remaining fragmentation, barriers and weaknesses of the Single Market in facing emergency situations.
 - The meeting of EU leaders in Versailles on 10-11 March 2022 highlighted the need to build a more robust economic base, which is more resilient, competitive and fit for the green and digital transitions, building on the strengths of the Single Market
- [Industrial Strategy Update](#) of 5 May 2021
- [Commission Work Programme 2022](#)

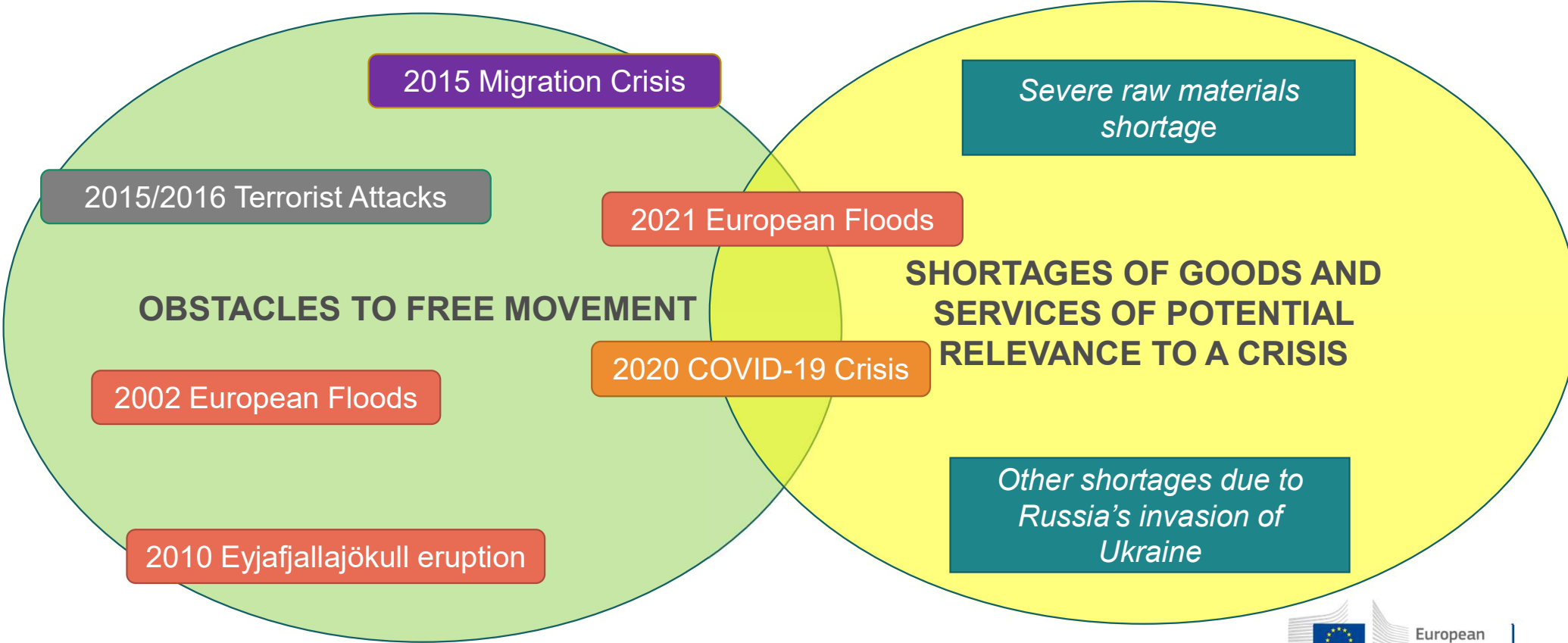
State of play and next steps

- Public consultation - Call for Evidence and questionnaire: 13 April to 11 May
- Stakeholder workshop: 6 May
- Planned adoption of SMEI Commission proposal accompanied by an impact assessment report: foreseen for September 2022

Key existing and forthcoming crisis response mechanisms

- European Health Emergency Preparedness and Response Authority (HERA)
- Commission proposal for Chips Act
- Commission proposal for Data Act
- Forthcoming Contingency plan for transport
- European food security crisis preparedness and response mechanism
- Commission proposal for Schengen Borders Code revision
- Integrated political crisis response mechanism (IPCR)
- Commission proposal for a directive to enhance the resilience of critical entities providing essential services in the EU
- Union Civil Protection Mechanism (UCPM)

SMEI: an umbrella for crises affecting the Single Market



Examples of main problems

Obstacles to free movement in times of crisis

- Lack of reliable, timely and widely accessible information about restrictions, e.g. the Meuse-Rhine region alone received 416,000 questions from citizens and businesses in 2020
- At the height of reintroduction of border restrictions, 10 EU MS had different forms of entry/exit bans and 11 EU MS had reintroduced internal border controls. Some of the effects:
 - 25 km traffic jams at CZ-DE border in February 2021 – significant domino effects in neighbouring countries.
 - ~2 million cross-border workers affected by COVID-19 restrictions.
- Restrictions on intra-EU export of agricultural and medical products both during the COVID-19 crisis and during Russia's invasion of Ukraine.

Shortages of crisis-relevant goods and services

- Across sectors, significant loss of inputs due to Russia's invasion of Ukraine, leading to shortages of goods, delays in production. Aggravates pre-existing supply chain challenges and creates new ones. Severe issues e.g. for metals, metal products and related inputs (e.g. FR titanium imports 50% from RU, DE copper imports 31% and aluminium imports 20% from RU). Prices reaching record highs e.g. steel. EU imports 30-50% of noble gases from UA and RU – major impacts on production of semiconductors, lasers, electronic and medical equipment more broadly.
- Recent COVID-19 containment measures in China causing significant disruptions along global supply chain (logistics, production, etc.) impacting businesses in the Single Market relying on operations in China including for manufacturing. Survey by European Union Chamber of Commerce in China: 92% of companies impacted by port closures, decrease in road freight and spiraling sea freight costs. Affects shipping of raw materials, intermediate goods and goods to Single Market – further pressure on availability, prices.
- Shortages of crisis relevant products negatively affecting safety, e.g. 60-80% of face masks failed checks during the first wave of the pandemic according to market surveillance authorities. A very high number of masks which did not comply with safety rules was therefore on the market.

Objectives of SMEI

General Objective

Enhance the Single Market's preparedness for, response to and its smooth functioning in times of crisis

Specific Objectives

Minimise obstacles to free movement in times of crisis

Address shortages and safeguard availability of crisis-relevant goods and services

Possible crisis response measures

- Ensuring free movement of crisis-relevant goods, persons and services
- Obtaining information from Member States and businesses and exchanging and disseminating this information
- Ensuring the availability of products relevant for a certain type of crisis
- Clarification on public procurement for crisis, including joint actions
- Measures of last resort

Ensuring free movement of crisis-relevant goods, persons and services

- **Option 1:**
 - New guidance or recommendations on key principles concerning crisis measures restricting free movement
- **Option 2:**
 - Conditions/mechanisms for drawing up key principles to determine products and/or services that are indispensable in the context of a given crisis and for facilitating their free movement **and/or**
 - Binding rules such as blacklists of measures that are incompatible with a specific crisis

Obtaining information from Member States and businesses and exchanging and disseminating this information

- Obtaining info on MS crisis measures
 - Voluntary sharing by Member States, **or**
 - Obligatory notifications of national crisis measures, **and/or**
 - Flash peer review by other MS and COM
- Disseminating information about EU and national crisis measures to the other MS, businesses and citizens
 - Electronic platform for voluntary info
 - Electronic platform for notified info
 - In EN only or in all EU languages
 - Single points of contact (in EU or MS)
- Obtaining information from businesses on issues such as production capacity and stocks of crisis-relevant goods
 - Encourage voluntary sharing, **or**
 - Mandatory information requests by COM
- Exchange between MS on the collected information
 - Voluntary exchange of gathered information by MS, **or**
 - Mandatory exchange of gathered information by MS in a dedicated forum

Ensuring the availability of products relevant for a certain type of crisis

- **Option 1:**

- Guidance on increasing availability of products and technical specifications for crisis-relevant products

- **Option 2:**

- Amending product legislation to speed up placing on the market during conformity assessment of crisis-relevant products and to provide for technical specifications where no harmonised standard exists

and/or

Prioritisation of market surveillance of crisis-relevant products

Clarification on public procurement for crisis, including joint actions

- **Clarifications on emergency public procurement through:**
 - Guidance on emergency procurement in the MS **or**
 - Amendment for legal clarity on the application of emergency procurement in MS
- **Procurement coordination through:**
 - Voluntary coordination of individual Member States procurement **or**
 - Obligatory coordination of individual Member States procurement **or**
 - Joint procurement by the Commission on behalf of MS

Measures of last resort

- Ramp up production capacity of crisis-relevant products through
 - Recommendation to businesses **or**
 - Obligations to businesses
- Speed up the related permitting procedures in times of crisis through
 - Recommendation to MS **or**
 - Obligations to MS
- Distribute crisis-relevant (stockpiled) products at the time of dire shortages through
 - Recommendation to MS **or**
 - Obligations to MS
- Prioritise orders of crisis-relevant products through
 - Recommendation to businesses **or**
 - Obligations to businesses

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Possible crisis preparedness measures

- Risk assessment and preparedness
- Targeted monitoring of identified strategic supply chains
- Enhancing the resilience of strategic supply chains through strategic storage or stockpiling
- Governance structure and role

Risk assessment and preparedness

- **Risk assessment and preparedness assessment through:**
 - Guidance on voluntary risk and preparedness assessment to businesses, **and/or**
 - Recommendation to MS to assess risks and preparedness on a regular basis **or**
 - Obligation to MS and/or EU to assess risks and preparedness for Single Market crises
- **Emergency trainings and drills for national experts in preparedness and crisis communication by means of:**
 - Guidance **or**
 - Recommendation **or**
 - Obligation

Targeted monitoring of identified strategic supply chains

- **Option 1:** Guidance to MS on voluntary targeted monitoring of identified strategic supply chains for shortages
- **Option 2:** Recommendation to MS on monitoring identified strategic supply chains for shortages
- **Option 3:** Obligation to MS to monitor identified strategic supply chains for shortages

Enhancing the resilience of strategic supply chains through storage or stockpiling of goods of key strategic importance

- **Option 1:** Guidance to businesses on stockpiling and its use
- **Option 2:** Recommendations to MS on mitigating measures, stockpiling and strategic storage and distribution
- **Option 3:** Mandatory storage and stockpiling by industry
- **Option 4:** Mandatory storage and stockpiling by MS
- **Option 5:** Storage and stockpiling by an EU-level body

Governance structure and role

- ✓ New forum (such as an Expert Group or a High Level Board) reuniting the Commission and the Member States, with observers
- ✓ Objectives: to provide strategic policy advice, assist in proposing the activation and the scope of an emergency and analyse the crisis-relevant information gathered



Thank you

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