



**Mr. Valdis Dombrovskis**  
**European Commissioner for Economy and Productivity, Implementation and Simplification**

## **Joint Call to Strengthen Economic Competitiveness in the European Union**

Dear Commissioner Dombrovskis,

We, the undersigned representatives of the Estonian Chamber of Commerce and Industry, the Latvian Chamber of Commerce and Industry, the Association of Lithuanian Chambers of Commerce, Industry and Crafts, and the Finland Chamber of Commerce, would like to first commend the European Commission for the successful delivery of the first Omnibus package. This marks a positive step forward in addressing unnecessary regulatory complexity and improving the legislative environment for European businesses.

In light of this momentum, we urge the European Commission to take further, decisive action to strengthen the EU's overall economic competitiveness. Ensuring a more dynamic and attractive economic environment is essential for boosting investment in human capital, innovation, and technological development. In particular, we call for immediate attention and progress on the following priority areas:

### **1. Reducing Administrative Burdens**

Administrative complexity continues to be one of the primary obstacles for businesses operating within the European Union, particularly for small and medium-sized enterprises (SMEs) that lack the capacity to absorb ever-increasing compliance costs. Overregulation and overlapping reporting requirements discourage entrepreneurship, slow down investment, and place EU businesses at a disadvantage compared to their global competitors.

We urge the European Commission to commit to a clear and measurable objective of reducing administrative obligations on businesses by at least one-third at both the EU and national levels. To achieve this, national governments and EU institutions must undertake a comprehensive review of existing reporting, licensing, and documentation requirements across all sectors. This review should result in a concrete roadmap for simplification, with clear deadlines and impact assessments.

One tangible example is the rapidly expanding scope of Environmental, Social, and Governance (ESG) reporting. While sustainability goals are important, the complexity, cost, and frequency of reporting requirements have escalated beyond what many businesses — particularly SMEs — can reasonably manage. We therefore propose that ESG reporting should be made voluntary across the EU, and its auditing should not be mandatory unless clearly justified by company size, sector, or risk profile.

We also encourage the greater use of digital tools and a one-stop-shop approach to reduce duplication in data collection and submission. Additionally, more flexible compliance regimes, such as phased implementation, reduced reporting cycles, or self-declaration models for low-risk businesses, should be considered.

Reducing administrative burdens will not only enhance competitiveness but also restore trust between regulators and the business community. We believe it is critical that this agenda remains at the heart of the European Commission's economic strategy.

## 2. Ensuring Proportional and Efficient Legislation

Given that a significant share of regulatory requirements stems from EU law, we urge the Commission to integrate the following principles into its legislative process:

- **Minimum Regulation Principle:** When harmonizing rules, adopt the level of regulation from the least-restrictively regulated Member State.
- **“One-In, Two-Out” Principle:** Introduce a rule where any new regulatory burden must be offset by the removal of two existing ones.
- **Three-Member State Principle:** Only propose new legislation upon joint and justified request from at least three Member States, ensuring transparency by publicly referencing these requests in the legislative process.

## 3. Reducing Public Sector Expenditure

We encourage a structural review and reduction in the size of the public sector, including the European institutions. A targeted 20% reduction in the number of officials involved in legislation, supervision, and administration would contribute to a leaner and more responsive regulatory environment.

We are confident that Estonia, Latvia, Lithuania, and Finland can collectively serve as a driving force in advancing these initiatives within the EU framework. We respectfully request that the European Commission consider these recommendations and welcome further dialogue to support their implementation.

Yours sincerely,

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**Aigars Rostovskis**

President

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**Sigitas Gailiūnas**

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