



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR INTERNAL MARKET, INDUSTRY, ENTREPRENEURSHIP
AND SMES

The Director-General

Brussels, 11 June 2020
GROW.01/KSN

Mr. Iñigo Urkullu Renteria
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Dear Mr. Urkullu,

On behalf of Commissioner Breton, I would like to thank you for your letter of 12 May 2020 regarding the impacts of the COVID-19 pandemic and the road to recovery from this crisis. I read your considerations and suggestions with great interest and they will feed into our internal reflections.

The Commission recognises that the coronavirus pandemic is a major shock to the European and global economies. Saving lives and protecting Europeans from the coronavirus is our number one priority and we have a collective responsibility to mobilise all the tools at our disposal to respond to this outbreak. To deliver, we need to act with urgency, solidarity and audacity.

From the very start of the crisis, the Commission has put in place a multipronged strategy to counter the economic impact of the coronavirus pandemic. It addresses, in particular, the needs of small and medium-sized enterprises (SMEs), which are the heart and soul of the European Single Market. To allow Member States to support strategic sectors and protect jobs, the strategy provides for the use of the full flexibility of the Stability and Growth Pact and of a more flexible temporary framework for state aid measures. In parallel, the Commission has deployed all its existing instruments and mobilised available resources in the European budget (such as enabling support from the European structural funds) to provide liquidity support, in addition to national measures.

I would also like to highlight the efforts made regarding the openness of the internal market. This is a crucial element of the necessary solidarity between Member States. The Commission has done its utmost to keep national borders open, export bans lifted and make sure products can circulate freely within Europe. Everyone benefits from the Single Market, it is our common responsibility to make sure it functions at its full potential.

In addition to the urgent measures needed to counter the immediate consequences of the pandemic, coordination of the national exit strategies is of outmost importance. On 15 April 2020, the Commission, in cooperation with the President of the European

Council, put forward a European roadmap to phase-out the containment measures and ensure a gradual and coordinated exit across the EU. We provided solid foundations to balance the interests of public health protection with those of the functioning of our societies.

The current crisis is unprecedented. Our latest response to it is historical. On 27 May 2020, the European Commission has presented a major Recovery Plan for Europe to repair and prepare for the next generation. It has European solidarity at its core and will allow for a fair recovery in all Member States. It will use the full potential of a revised European long-term budget 2021-2027 along with the setting-up of a recovery instrument. The Commission wishes to encourage the most efficient recovery but also to further strengthen our economies by making them greener, more digital and more resilient. The package complements safety nets already agreed, including the ambitious SURE programme allowing Member States to finance reduced-time work schemes. Preserving jobs and communities is of utmost importance.

The situation is evolving fast and when this letter reaches you, additional initiatives at EU or Member State level may have already supplemented some of the latest known measures. For real time information, the Commission has created a dedicated website that covers the different work strands¹.

Yours sincerely,

(e-signed)

Kerstin Jorna

¹ https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response_en