



Speech

by Prime Minister Mark Rutte at the
BUSINESSEUROPE Day 'Reform to Perform' event,
Brussels, 3 March 2016

**Madam President,
Ladies and gentlemen,**

**A few weeks ago, I was in Silicon Valley.
For decades, it has been the promised land for any
business offering online, digital and hi-tech products
and services.**

I was there to promote the Dutch StartupDelta initiative.
In my discussions with young entrepreneurs from the
Netherlands before my trip, I noticed a recurring theme.
One that is very relevant for this event.

For them, the EU single market is not a very attractive
prospect.

In fact, they tend to associate Europe with rules and
regulations.

Often, they are not aware of the opportunities that European
cooperation offers.

So, when they spread their wings, they look to the US or the
Far East, instead of their neighbours.

These faraway markets seem more relevant, more attractive
and easier to break into than the one with 500 million
consumers on their doorstep.

We should take two lessons from this.

Firstly, that the US, Singapore, China and the rest of the world
are forging ahead, and they won't wait around for Europe.

In an ever more digital and footloose global economy, you
need to be alert and act quickly.

Secondly, our fantastic single market still needs a major push
if we want to exploit its full potential.

And we need to do more than we're doing now.

A lot more.


If there's one thing that can motivate us to do this, it is –
paradoxically – the success of the single market so far.

Let us be crystal clear: over the past few decades, the free
movement of people, goods, capital and services has allowed
EU member states to prosper.

Take the Netherlands for example.

Thanks to the single market, our country – despite being
relatively small – is now the world's fifth-biggest exporter.

More than three quarters of all our exports go to other EU



countries. That's why I always stress that, for us, the single market is vital: if it didn't exist, we'd have to invent it.

At the same time, the perfect, completed single market is still a long way off.

We've all heard stories of regulatory barriers and red tape. Construction businesses have to deal with 115 different EU directives and regulations – on top of national and local rules. Trains travelling between member states still have to change drivers at the border.

Because their national qualifications aren't recognised. And professions like baker and photographer are still regulated in some member states.

These are also features of the single market.

Or, rather, the lack of it.

And they should motivate us to make improvements.

You have perhaps heard me say this a lot recently.

But further bolstering and completing the single market is one of the Dutch Presidency's top priorities.

Because making full use of a comprehensive, fairer single market benefits everyone.

If we exploited the single market's full potential, we would have an extra 1.25 trillion euros to play with.

That is twice the size of the Dutch economy.

And it would create millions of vital jobs that would give many people a fair and honest wage.

And so, it is a question of 'reform to perform'.

Which is today's theme.

But it's equally important that we 'comply to perform'.

That we roll up our sleeves and comply with previous agreements.

Like moving forward with the implementation of the services directive.

The fact is: the EU services market is still largely untapped.

Despite being the sector most Europeans work in.

There are still too many unexploited sectors – like retail, business services, and construction – that have been ready for a real single market for years.

The frameworks are in place.

It's now just a question of doing it.

Of complying to perform.

And if we want the European economy to keep performing, we must stay open to new opportunities and invest in innovation.

Or, to use the terminology of this meeting: we must also 'innovate to perform'.

Take the field of energy and climate for instance.

Here, new revenue models and markets are opening up



around the world.

After the ambitious Paris Climate Agreement, we need the innovative power of the single market to make Europe a world leader in clean energy.

Or take the possibilities the digital single market offers.

In the digital age, Europe must aim to compete with American giants like Facebook and Google.

We must make sure that our own startups can grow into major players and create jobs here.

The single market is the main instrument to help us do this.

My good friend and former EU Commissioner Neelie Kroes – now the Dutch Special Envoy for Startups – has put forward an interesting proposal.

An EU Startup Visa.

It aims to make it easier for non-EU entrepreneurs to start new businesses in Europe, without having to apply to each member state separately.

It's a simple but very useful idea that will help create a flourishing climate for business and innovation in the EU.

But to make this a reality, regulation and the market must keep pace with technological advances.

And these are happening at warp speed.

So, more and more, we'll have to think differently and look further ahead. Regulation should leave more scope for innovation and flexibility. Innovations often happen so fast that any new laws and rules need to consider factors whose existence or significance we aren't even aware of yet.

More than ever, new technologies and business models dictate the flow of our markets.

So our common rules should both fit and facilitate innovation.

I'll give you an example: a short while ago, someone in the Dutch city of Utrecht used a drone to capture some beautiful footage of the city's iconic Dom Tower in the mist.

Since then a million people have viewed the clip online.

But the film-maker was fined 350 euros, which was a bit of damper.

So what happened?

Drones are a fairly new feature in public spaces.


We had no rules for them at first, and we wanted to prevent accidents, so the rules for model aircraft were applied to drones.

According to those rules, the film-maker should have applied for a permit for his drone flight that day.

He didn't have a clue.

Five years ago no one could predict the need to regulate the use of drones.

Now we do, and the use of drones is increasing fast.



This shows that the legislative process almost never matches the speed of technological change.

The European Commission is, of course, working hard to make all aspects of the single market stronger, more effective and more attractive. A lot is happening already and there's lots more in the pipeline.

That is something I want to emphasise today.

Take the Strategies on both the Single Market and the Digital Single Market, which – quite rightly – have a clear focus on SMEs and startups.

Or take First Vice-President Timmermans' Better Regulation Agenda, or the Innovation-friendly regulation agenda led by Commissioner Moedas. They're all leading us in the right direction.

I particularly support one part of these plans: the Innovation Principle. This principle requires assessing – as standard – the impact of proposed new legislation on innovation.

In my view, we should position the innovation principle more prominently in the years ahead, to make the EU economy stronger and more agile.

We have a lot of work ahead of us.

And we've got a lot of balls in the air at once.

During our Presidency, the Netherlands wants to work with the Commission to achieve progress on as many issues as possible. And, as always in the EU, we'll achieve our goals step by step. We must make it easier to shop online in other member states, attune legislation to the digital age and tackle unjustified geo-blocking.

In the market for services, the Dutch Presidency will also be asking member states to take a good look at the need to regulate professions.

And the introduction of the 'service passport' will reduce the number of barriers stopping service providers operating in other member states. These are only a few examples from a long list of 'things to do' that will help the European economy perform more effectively.

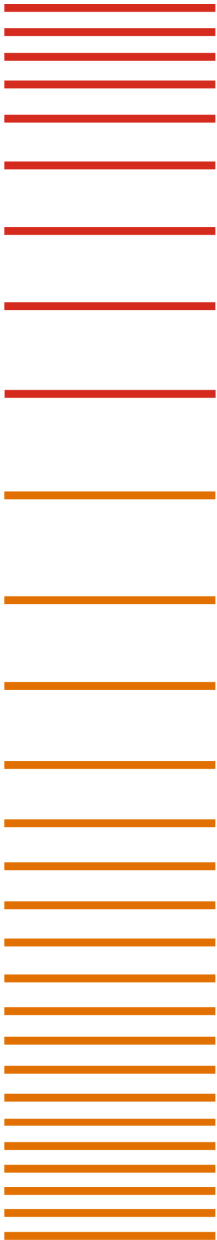
But it would be wrong to see this as only an issue for the Commission. Or other EU institutions – or the Presidency holder, for that matter.

EU action is only one side of the coin.

It's also up to the member states to seize opportunities and sustain economic growth.

The single market strategic agenda sets out the areas where each member state can make improvements.

So there's nothing to stop us enhancing the single market ourselves, by quickly following up on these country-specific recommendations.



And of course, the private sector and research community also have a major role to play.

National and EU authorities can and must stimulate innovation and entrepreneurship.

But we won't get far without specialist knowledge and a strong market. Government, research and the market need one another.

Because true innovation often happens at the nexus of the public interest, new business solutions and ongoing scientific research.

And it's here, at this nexus, that government, business and science find themselves working together for common goals. In the Netherlands we call this the 'triple helix'.

Innovation Deals are one way of making this partnership a reality.

These are voluntary agreements between government, businesses and knowledge institutions.

They stimulate innovation without requiring changes to legislation.

The deals are inspired by the Dutch Green Deals – practical agreements on creating a circular economy, concluded in the past five years.

Recently, for example, regional authorities and more than 50 companies agreed to reduce the costs of offshore wind energy by 40 per cent by 2020.

This shared goal can only be achieved with innovative solutions.

And if all the parties work as allies, with a shared aim.

I'll give you another example.

With an ageing population, the Netherlands is currently seeking ways to contain the cost of health care – a problem that many countries face.

The use of advanced robotics is one way to help us improve both personal care and efficiency in public health.

Amsterdam's Free University recently tested a robot called Alice, which helps elderly people who suffer from Alzheimer's. And they all loved Alice!

So together with public and private parties, we are planning to scale up robotics testing and to make it profitable for everyone – a fine example of the 'triple helix', and a promising business case for the Dutch life sciences and health sector.

Ladies and gentlemen,

If we want to maximise the European economy's performance, we need to reform.

But we need to comply and innovate just as much.



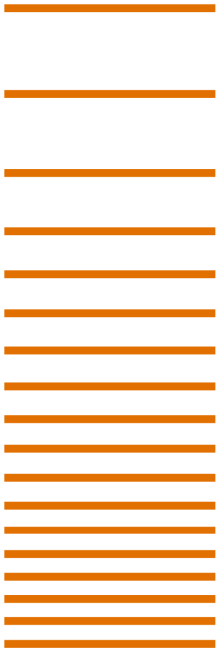
To me, this boils down to one task that concerns us all: maximising the power of the single market. In particular, the services market and the digital market.



We need member states that don't wait for the Commission to act, but work to improve their own – and, as a result, Europe's – performance. We need businesses, governments and knowledge institutions to approach each other with real plans and projects.



During its Presidency, the Netherlands is making a practical contribution by hosting a special TEDx event, entitled 'Ideas from Europe', on 31 March in the Knight's Hall in The Hague. The event will bring together innovative ideas, policymakers and investors in 12 inspiring TEDtalks. The Commission has decided to make this an annual event, and I can highly recommend it.



The Dutch Presidency of the Council of the EU runs until the end of June. And I am determined that, by then, we will set out the many opportunities before us in a concrete agenda. And that's why I invite you – the European business community – to tell us where you feel where national and EU legislation still falls short. Tell us where the EU and member states can promote innovation more. And tell us about the opportunities we're missing. Only by having that discussion will we gradually make the single market an even bigger success.

Thank you.