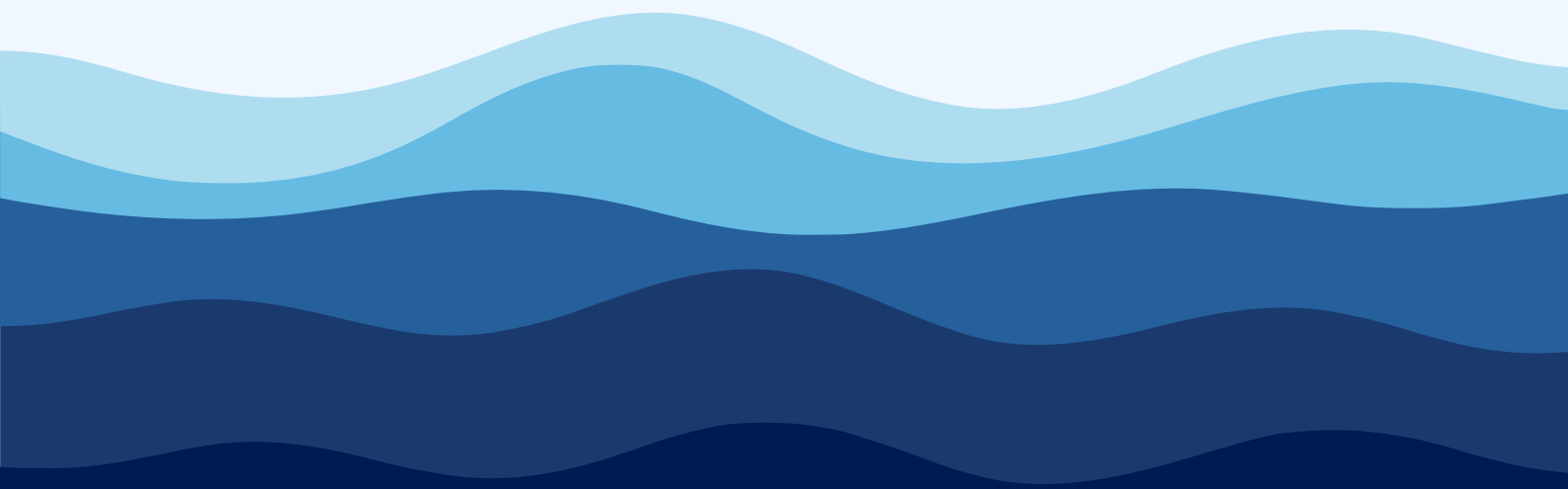# Input on the Strategy for a Simple, Seamless, and Strong Single Market

June 2025

About Us

The **DigitalTrade4.EU consortium** envisions a **seamlessly interconnected Europe** and **neighbouring regions** powered by harmonized standards for the digitalisation of trade documents and processes. By fostering the digital transformation of trade, we aim to promote economic integration, enhance cooperation, and ensure long-term trade facilitation across borders.

Our consortium is made up of **experts in their field**, including **107 full partners**—trade associations, logistics providers, shipping lines, banks and insurances, technology innovators, etc.—**from 17 European Union countries** (*France, Belgium, Netherlands, Austria, Estonia, Finland, Italy, Latvia, Spain, Germany, Sweden, Poland, Luxembourg, Lithuania, Slovenia, Denmark, Bulgaria*) and **22 non-EU countries** (*United Kingdom, Switzerland, Montenegro, Japan, Singapore, Hong Kong, Australia, New Zealand, India, Nepal, Canada, United States of America, Cameroon, Morocco, Egypt, Kenya, Pakistan, Nigeria, Brazil, Uzbekistan, Turkey, Ukraine*).

Our consortium is already **aligned with the fundamentals** of the **EU Competitiveness Compass**. Learn more:

- How DigitalTrade4.EU Can Help Achieve the Objectives of the EU Competitiveness Compass (February 2025)
  https://www.digitaltrade4.eu/how-digitaltrade4-eu-can-help-achieve-the-objectives-of-the-eu-competitiveness-compass/

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Executive Summary

DigitalTrade4.EU **enthusiastically welcomes** the Commission's strategy for the Single Market, particularly its ambition to create a **simpler, more seamless, and stronger** European home market. We strongly support the proposed paradigm shift towards a **data-based Single Market**, the focus on **effective digitalisation**, and the commitment to reducing administrative burdens for businesses, especially SMEs.

This vision aligns perfectly with our consortium's goal to foster a seamlessly interconnected Europe powered by harmonised digital standards. Our feedback builds directly on the Commission's strategy, offering concrete recommendations to **accelerate its implementation**. We believe the key to unlocking the full potential of the Single Market lies in the bold and swift adoption of **interoperable digital tools** that are built on **global standards**.

Our core recommendations are:

1. **Fully embrace the Digital Product Passport (DPP)**[1] as the central, harmonised tool for product information and compliance, directly addressing several of the 'Terrible Ten' barriers related to labelling, product rules, and circularity.

2. **Champion global interoperability** by promoting the EU-wide adoption of legal frameworks like the **UNCITRAL Model Law on Electronic Transferable Records (MLETR)**[2] and fully leveraging **EU eIDAS 2.0**[3] **legislation** (electronic Identification, Authentication, and Trust Services), ensuring EU businesses can compete effectively on a global scale.

3. **Leverage trade finance digitalisation** to connect **verifiable environmental, social, and governance (ESG) data** with access to capital, turning sustainability into a tangible **competitive advantage** for EU companies rather than a compliance burden.

By embedding these principles into policy, the EU can consolidate its leadership in the **green-digital twin transition**, making the Single Market more resilient, competitive, and truly seamless for all.

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[1] UNCITRAL. Model Law on Electronic Transferable Records
https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic_transferable_records
[2] UNCITRAL. Model Law on Electronic Transferable Records
https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic_transferable_records
[3] European Commission. Discover eIDAS
https://digital-strategy.ec.europa.eu/en/policies/discover-eidas

Introduction

DigitalTrade4.EU is a consortium of over 100 trade associations, logistics providers, technology innovators, and financial institutions from across the EU and beyond. Our mission is to promote the **digital transformation of trade** through harmonised standards and interoperable infrastructure. We are deeply committed to supporting the EU's strategic objectives as outlined in the Competitiveness Compass (a strategic framework designed to enhance industrial competitiveness through innovation, sustainability, and digital transformation) and the European Green Deal.

This document presents our constructive feedback on the Commission's Communication, "*The Single Market: our European home market in an uncertain world*" (COM(2025) 500 final)[4]. We commend the Commission for its clear-sighted analysis and ambitious new approach. Our recommendations, detailed in our own input paper, *"Strengthening EU Leadership in Green-Digital Trade"* (May 2025)[5], are designed to **complement and amplify** the Commission's strategy. We aim to provide a practical roadmap for turning the vision of a **simple, seamless, and strong** Single Market into a reality for European businesses and citizens.

*Note: In this document, the terms **Small and Medium-sized Enterprises (SMEs)** and **Micro, Small and Medium-sized Enterprises (MSMEs)** are used interchangeably and carry the same meaning and weight. This clarification is important because different sources and contexts may refer to these groups using either acronym, but both encompass the full range of smaller business categories critical for economic development.*

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[4] European Commission, Internal Market, Industry, Entrepreneurship and SMEs. The Single Market: our European home market in an uncertain world (May 2025) https://single-market-economy.ec.europa.eu/publications/single-market-our-european-home-market-uncertain-world_en

[5] https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14589-International-Digital-Strategy/F3552794_en

Expectations from the Commission's Side: The Objectives

We fully endorse the core objectives laid out by the Commission. The "new method" for our European Market, centred on **fewer barriers, more ambition, more focus on SMEs, more effective digitalisation, and more simplification**, provides a powerful framework for action.

We particularly welcome the focus on addressing the *'Terrible Ten'* Single Market barriers—key **obstacles** identified by the **Commission** that include **regulatory fragmentation**, **inconsistent compliance procedures**, and **complex product rules** that undermine **market efficiency** Several of these—such as fragmented rules on **packaging and labelling**, outdated **harmonised product rules**, and the complexity of **EU rules** themselves—are precisely the issues that can be most effectively solved through digitalisation.

Furthermore, the Commission's specific objectives in areas like eco-design and energy labelling, as detailed in the Call for Evidence for refrigerating appliances (Ref. Ares(2025)4214201)[6], highlight a clear demand for:

- **Better, data-driven** market oversight.
- Clearer information for buyers on **circular economy** aspects like reparability and recyclability.
- **Simplification of legislation** to reduce administrative costs.

These objectives signal a crucial recognition that the future of the Single Market is **digital and data-driven**. DigitalTrade4.EU's recommendations are tailored to meet these exact expectations.

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[6]   https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14251-Energy-efficiency-ecodesign-requirements-for-refrigerating-appliances-with-a-direct-sales-function-revision_en

Approach and Recommendations

To translate the Commission's strategy into action, we propose a focus on implementing a cohesive digital infrastructure. Our approach is built on proven, globally-recognised standards that ensure interoperability and reduce fragmentation.

1. A "Data-Based Single Market" through the Digital Product Passport (DPP)

The Commission's call for a paradigm shift from a document-based to a **data-based Single Market** is the most critical element of the new strategy. The **Digital Product Passport (DPP)** is the primary vehicle to achieve this.

The DPP is more than just a digital label; it is a **dynamic, secure, and standardised container for all product-related data**. As envisioned in our work and reinforced by global standards like **UNECE Recommendation 49 ("Transparency at Scale")**[7], which establishes a framework for standardized, machine-readable product data to streamline cross-border compliance the DPP directly solves many of the Commission's stated problems.

Recommendation: The Commission should move to make the **DPP the single, harmonised standard for demonstrating product compliance** and sharing information across the EU. This means **accelerating its rollout** beyond initial product categories and integrating it fully into the New Legislative Framework review. By making the DPP the rule, not the exception, the EU can eliminate the need for divergent national labels and paper-based documentation, directly tackling a key barrier from the 'Terrible Ten' and reducing administrative burden for all economic operators.

2. Championing Global Standards for True Interoperability

A competitive Single Market cannot exist in isolation. The success of the **EU-Singapore Digital Trade Agreement**[8] demonstrates the power of aligning with trusted partners on high-standard digital rules. The proposed "28th regime" for businesses should be outward-looking from day one.

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[7] United Nations Economic and Social Council. Recommendation No. 49: Transparency at Scale – Fostering Sustainable Value Chains (March 2025)
https://unece.org/sites/default/files/2025-05/ECE-TRADE-C-CEFACT-2025-03E.pdf
[8] European Commission. EU and Singapore sign landmark digital trade agreement (May 2025)
https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1152

This requires embracing legal frameworks that are already gaining global traction. The **UNCITRAL Model Law on Electronic Transferable Records (MLETR)** provides a globally accepted legal basis for digital trade documents, such as e-bills of lading. Its adoption by the UK, Singapore, and other G7 partners makes it the de facto international standard.

> **Recommendation:** The Commission should propose legislation for the **EU-wide adoption of MLETR**. This, combined with the full implementation of **eIDAS 2.0** and the European Business Wallet, would create a **truly interoperable legal and technical environment**, allowing EU SMEs and large enterprises alike to trade seamlessly and securely, not just within the Union but with key global partners.

3. Leveraging Digital Trade Finance to Drive ESG and Competitiveness

Sustainability should be a source of **competitive advantage**, not just a cost. The digitalisation of trade finance offers a historic opportunity to achieve this. By linking verifiable ESG data from DPPs and other digital sources to financial instruments, the EU can create a powerful incentive for green and circular practices.

When a company can automatically share verified data on its low carbon footprint or circular material use with a bank, it can unlock access to **cheaper green finance**. This transforms ESG from a reporting exercise into a driver of profitability and resilience.

> **Recommendation:** The Commission must ensure that legislative frameworks like the **Financial Data Access (FiDA)**[9]**,** which enables secure sharing of financial data and the **Payment Services Directive 3 (PSD3)**[10], which modernizes payment systems are designed to support a seamless flow of data between trade platforms, DPPs, and financial institutions. We urge the Commission to **prioritise pilot projects** that demonstrate how trade finance digitalisation can automate ESG-linked financing, especially for SMEs.

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[9] European Commission. Framework for financial data access
https://finance.ec.europa.eu/digital-finance/framework-financial-data-access_en
[10] DigitalTrade4.EU. Understanding the EU's PSD3 Directive and PSR Regulation: Key Changes and Implications (December 2024)
https://www.digitaltrade4.eu/understanding-the-eus-psd3-directive-and-psr-regulation-key-changes-and-implications/

4. A Concrete Example: Refrigerating Appliances

Applying our recommendations to the Commission's example of refrigerating appliances demonstrates their practical power. Instead of multiple physical labels and paper manuals, a single **QR code** on a refrigerator would link to its DPP. This DPP would contain:

- **Standardised, real-time data** on energy consumption, aligning with European Product Registry for Energy Labelling (EPREL).

- **Verifiable credentials** on the percentage of recycled materials used and its repairability score.

- **Digital instructions** for use, repair, and end-of-life recycling.

- **One-stop compliance** for the manufacturer across all 27 Member States.

This single digital tool achieves all the Commission's stated objectives: it **simplifies legislation**, empowers consumers, enables the circular economy, and provides authorities with the data needed for effective market surveillance.

Conclusion and Next Steps

DigitalTrade4.EU firmly believes that the Commission's strategy sets the right course for the future of the Single Market. The emphasis on digitalisation, simplification, and enforcement is exactly what is needed to enhance EU competitiveness in a challenging global landscape.

The journey from a document-based to a data-based Single Market requires **boldness, political will, and deep collaboration** between the public and private sectors. The technology and global standards to achieve this vision already exist. The task now is to **implement them cohesively and at scale**.

We reiterate our strong support and readiness to collaborate. We propose the establishment of a **structured dialogue** between the Commission and expert consortia like DigitalTrade4.EU to co-design the implementation roadmaps for the Digital Product Passport, the European Business Wallet, and the integration of global legal framework like MLETR.

Together, we can build a European home market that is not only simple, seamless, and strong but also the global benchmark for **green and digital trade leadership**.

EU Green-Digital Trade Leadership Roadmap (DigitalTrade4.EU, 2025)

activity	objective	indicative metrics	tools/enablers
1. EU-Singapore DTA & Expand DEPA Partnerships	Strengthen digital trade diplomacy in Asia through high-standard agreements.	- 5+ new digital trade agreements with key Asian partners (e.g., Japan, India, ASEAN) by 2030 - 15% increase in EU-Asia digital services trade by 2028	DEPA framework, EU-Singapore DTA, Global Gateway Initiative, eIDAS 2.0
2. Implement Digital Product Passports (DPPs)	Ensure traceable, sustainable supply chains aligned with EU Green Deal.	- 50% adoption of DPPs by 2030 - 20% reduction in supply-chain carbon intensity by 2030	EU Sustainable Products Initiative, CBAM incentives, UNECE Recommendation 49
3. Fund Secure Digital Corridors in Asia	Build interoperable digital infrastructure for EU-Asia trade.	- ~€2B allocated via NDICI-Global Europe - 10+ blockchain-based traceability pilots by 2027	NDICI-Global Europe, ASEAN digital customs systems, EU Customs Data Hub
4. Harmonize Digital Standards (MLETR/eIDAS 2.0)	Enable cross-border recognition of e-documents and digital identities.	- 90% mutual recognition of e-signatures by 2028 - 70% SME adoption of eIDAS wallets	MLETR framework, eIDAS 2.0, EU Transport Law updates, UN/UNECE protocols
5. Launch Green-Digital Trade Academy	Upskill SMEs and officials on DPPs and carbon accounting.	- 40% increase in SME participation by 2027 - 60% cost savings for SMEs	Erasmus+ grants, COSME programme, tiered compliance thresholds
6. Integrate ESG into Trade Finance	Link trade finance to sustainability metrics for cheaper capital access.	- €10B/year unlocked for green trade finance - 30% lower Scope 3 emissions by 2030	InvestEU guarantees, CSRD-aligned reporting, FinTech platforms
7. Enforce Platform Interoperability	Prevent vendor lock-in and empower SMEs.	- 100% compliance with CJEU rulings by 2026 - 50% reduction in platform dominance	Court of Justice of the European Union (CJEU) Case C-233/23, DEPA, eIDAS 2.0, Digital Markets Act (DMA)
8. Global Digitalisation Projects with EU Standards	Extend EU digital infrastructure and norms globally.	- 20+ co-funded projects by 2030 - 80% interoperability with EU systems	Digital Europe Programme, CEF funding, EU-Asia Digital Standards Taskforce
9. Advance UNECE Transparency Protocols	Globalize EU sustainability standards for supply chains.	- 100% alignment with UNECE Rec. 49 by 2028 - 30% reduction in greenwashing claims	UNECE CEFACT, W3C Verifiable Credentials, EU CBAM registry
10. Pilot CBAM-DPP Corridors	Link trade finance to verifiable ESG metrics for tariff incentives.	- 20% CBAM compliance cost reduction - 50% DPP adoption by 2030	IoT carbon trackers, CBAM rebate schemes, EU Customs Single Window

Table 1. The roadmap above, DigitalTrade4.EU's input to the European Commission's "International Digital Strategy" operationalises the recommendations outlined in this document. For instance, Activity 1 (EU-Singapore DTA & Expand DEPA Partnerships) directly supports the harmonisation of international digital standards, while Activity 8 (Global Digitalisation Projects with EU Standards) aligns with efforts to promote dual-use infrastructure globally. These activities collectively reinforce the EU's ability to leverage digital trade diplomacy as a tool for both economic growth and strategic security.