



Business Case Catalogue

The heart of the Single Market – voices from European SMEs

Based on a project commissioned by Amazon and conducted by Implement Consulting Group

February 2025

Empowering European SMEs by further improving and integrating the Single Market

SMEs are the backbone of the EU's economy, playing a vital role in fostering innovation, creating jobs, and driving economic growth. Representing over 99% of all businesses in the EU, SMEs are crucial for the prosperity and resilience of the Single Market. They are responsible for approximately two-thirds of total employment in the private sector and contribute significantly to the EU's GDP.

However, SMEs across the EU often encounter significant obstacles that impede their ability to fully capitalise on the benefits of the Single Market. These challenges include regulatory burdens, market fragmentation, and difficulties in accessing finance and new countries. As highlighted in Enrico Letta's report: "Much More Than a Market – Speed, Security, Solidarity," empowering the Single Market by reducing regulatory burdens and fostering efficiency is fundamental for delivering a sustainable future and prosperity for all EU citizens. Similarly, both Mario Draghi and Ursula von der Leyen have emphasised that fostering innovation and reducing barriers for SMEs are pivotal for the EU's long-term growth and economic stability.

Implement Consulting Group has released a series of high-level reports, commissioned by Amazon, directed at national and EU policymakers, outlining 11 specific and impactful recommendations to simplify and streamline processes and regulation, thus creating a more robust and unified Single Market. These reports and recommendations are built on comprehensive SME surveys and interviews, as well as a detailed literature review. We present the recommendations on the following page.

In alignment with these reports, this business case catalogue amplifies the voices of EU SMEs and presents real-world business cases from SMEs across various EU countries. Each case highlights the unique challenges SMEs currently face and offers recommendations to address these obstacles.

By highlighting these challenges and proposed solutions, our goal is to emphasise the importance of SMEs for the prosperity and future of the Single Market. We hope this catalogue serves as a valuable resource for policymakers, industry stakeholders, and the wider EU community in cultivating an environment where SMEs can thrive.

See our reports here

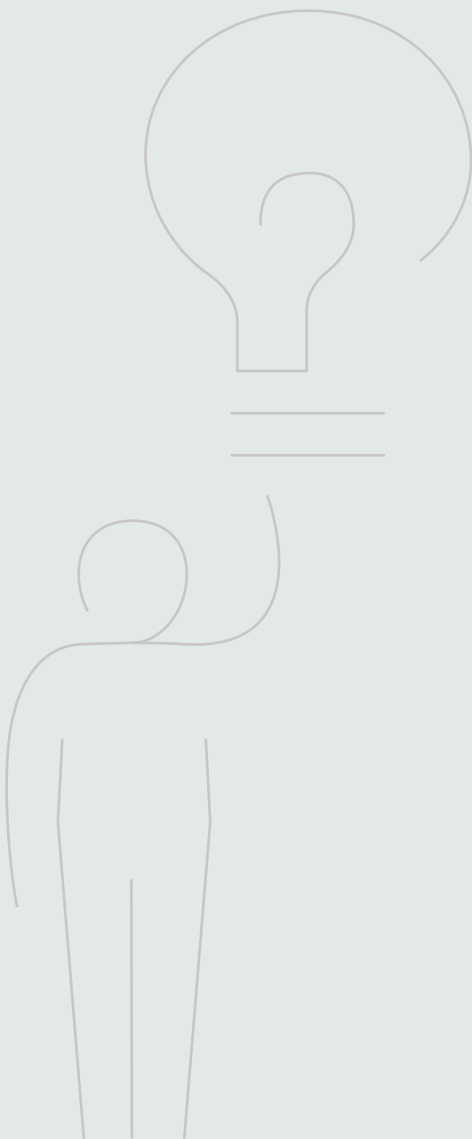


11 recommendations to create a more robust and streamlined Single Market

#1	Adopt an ambitious Single Market Strategy
#2	Strengthen SOLVIT by making it more proactive and increasing awareness of its services
#3	Conduct a data flow test of all existing and new EU regulation
#4	Upgrade the European Semester to include recommendations on how to harmonise implementation of EU regulation and close the compliance gap
#5	Strengthen the use of the Better Regulation Toolbox by integrating implementation into the design of new regulation and consistently respecting impact assessment requirements
#6	Map and remove regulatory barriers to trade in climate goods and services within the Single Market
#7	Design the digital European product passport in a way that makes the circular work of businesses easier
#8	Create a one-stop-shop to Member States' extended producer responsibility (EPR) systems
#9	Create a single VAT ID and extend the VAT one-stop-shop
#10	Recognise digital labelling as a true substitute for physical labelling
#11	Create conditions for the development of easy, fast, reliable, and low-cost cross-border payments for both euro and non-euro payments

#1

Adopt an ambitious Single Market Strategy



The Single Market is an ongoing project that needs to be adjusted to evolving global conditions, challenges and technological developments. Safeguarding the four freedoms of the Single Market warrants ongoing review and updates of EU regulation.



To reinforce the Single Market as the cornerstone of the EU's integration project, the European Commission should adopt a comprehensive Single Market Strategy, with a focus on:

- Simplifying the entire process for businesses to operate and for consumers to purchase across the Single Market, to ensure regulation does not unnecessarily hinder trade within the Single Market.
- Securing robust political backing to advance the strategy and maintain its importance on the EU agenda.
- Harmonising regulation across all pillars of the Single Market and various modes of doing business, ensuring cohesive and efficient market operations.



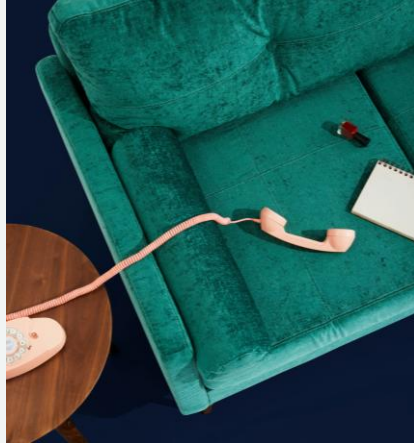
See SME business cases on the following pages



How an ambitious Single Market Strategy can help Irish furniture companies sell across the EU

#1

Adopt an ambitious Single Market Strategy



Abbeylands Furniture is a small, Irish company that has been specialising in soft furnishings and art since 1959. They supply to independent stores and leading multi-retailers across Ireland, the UK and Europe. The UK has always been the company's primary export market, largely due to geographical proximity, but the European Single Market accounts for a growing share of exports.

The situation

For Abbeylands Furniture and Irish businesses alike, Brexit has presented significant challenges but also highlighted the critical importance of the Single Market. Caroline Horgan, CEO of Abbeylands Furniture, recognises the high value of the Single Market, particularly its streamlined regulations and rules. However, the absence of common EU standards for the furniture industry, especially regarding safety, and the difficulty in accessing information on national standards are some of the main barriers to the company's ability to operate within the Single Market and expand into additional EU member states.

Diverging national requirements and standards, coupled with bureaucratic hurdles, impede sales and stifle growth for SMEs in other EU countries.

“Apart from the CE mark, it is difficult to find information about standards, as there is a lot of red tape involved.”

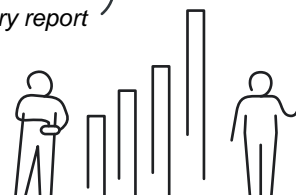
Caroline Horgan, CEO at
Abbeylands Furniture

Call for action

An ambitious Single Market strategy will drive business growth and boost cross-border trade. Simplifying regulation, harmonising standards, and introducing common benchmarks will reduce costs, fostering a more competitive and efficient environment for entrepreneurs. Enhanced Single Market integration will eliminate unnecessary transaction costs and lower trade barriers across EU countries.



See country report



How an ambitious Single Market Strategy can boost European efficiency and enable SMEs to scale up

#1

Adopt an ambitious Single Market Strategy



Inphysio is a Polish company specialised in products to support a healthy lifestyle, including products for exercise, massage and recovery. The company was established just three years ago but is the result of 25 years of experience in several medical-related companies. Inphysio sells its products through traditional channels as well as online. They export products to almost all of Europe, with a strong focus on France, Benelux and Spain.

The situation

As Inphysio has expanded across the Single Market, it has faced numerous bureaucratic and regulatory obstacles, as well as subsequent fees, that accumulate along its business journey. National requirements and various bureaucratic hurdles impede sales, and for SMEs, these challenges often require hiring additional consultants, incurring extra costs.

“Aside from time, hiring additional consultants specialising in specific market regulations generates annual costs in the range of several thousand euros.”

Michał Perner, Inphysio

Call for action

The current patchwork of directives, regulations, and national laws increases transaction costs for businesses, disproportionately affecting SMEs like Inphysio. An ambitious Single Market Strategy, characterised by deeper European integration through regulatory simplification, harmonisation, and the introduction of common standards will reduce these costs, benefiting both public and private companies.

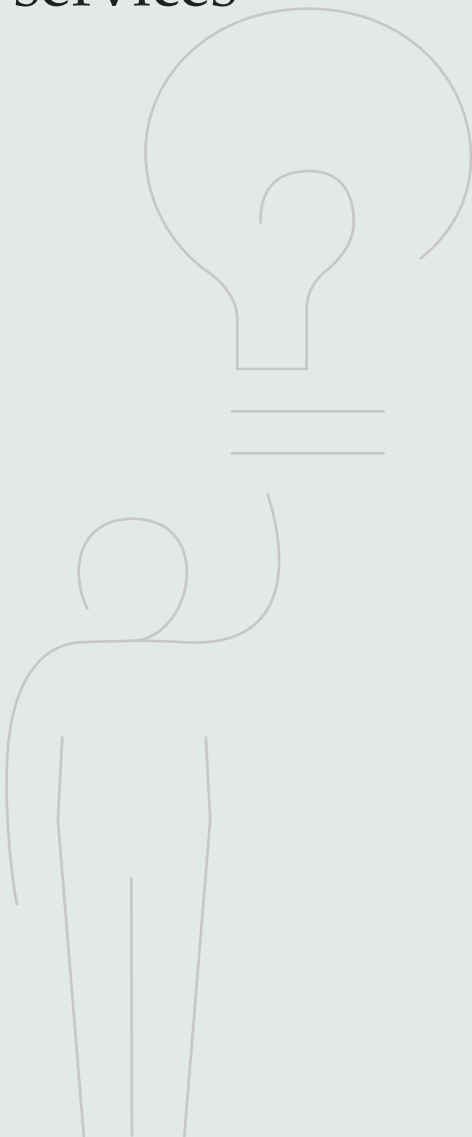


See country reports



#2

Strengthen SOLVIT by making it more proactive and increasing awareness of its services



Established in 2002, SOLVIT offers free assistance to citizens as well as businesses facing issues from possible misapplication of Single Market rules. SOLVIT centres are located in all EU Member States, Iceland, Liechtenstein, and Norway, creating an informal problem-solving network under the European Commission. Despite its broad presence, SOLVIT remains underutilised.



To improve general awareness and confidence in SOLVIT, the following actions are needed:

- Address the shortage of qualified case handlers and high staff turnover in several SOLVIT centres.
- Utilise SOLVIT as a key resource for identifying structural issues.
- Proactively address regulatory uncertainties, as SMEs require clearer guidance to navigate contradictory regulations.



See SME business cases on the following pages



How a more proactive and robust SOLVIT network can empower SMEs to assert their rights and seize opportunities

#2

Strengthen SOLVIT by making it more proactive and increasing awareness of its services



Founded in 1992 as an importer of machinery for the airport and railway sectors, Air Rail expanded in 2015 to include machinery rentals and began manufacturing its own machines in Madrid in 2019. Air Rail now rents its machinery to customers in Spain and various EU countries, and exports globally to countries such as Israel, Angola and beyond.

The situation

Air Rail encounters significant challenges in expanding across the Single Market, particularly when establishing subsidiaries in Italy or France. The SME struggles to obtain clear and accurate information on local establishment rules, hiring procedures, and tax compliance. Additionally, regulatory complexity and inconsistent application of EU regulations increase costs and create uncertainty for Air Rail. Many SMEs are unaware they can take legal action when EU regulations are applied inconsistently across Member States. A robust and proactive SOLVIT network can enhance SME awareness of their rights and opportunities.



See country report

Call for action

Air Rail dedicates significant time and resources to understanding local requirements, customising machinery to national standards and obtaining formal approvals. The CEO asserts that if regulations were uniform across Member States, or if access to information were assured when regulations differ, the company would have already established subsidiaries in many more EU countries.

“If regulations become fully harmonised, or if access to information is guaranteed when the regulations are different, our company will be able to expand and undertake commercial projects that will double our turnover in the next three years”

Cristian González Fresneda, CEO at Air Rail



How a strengthened SOLVIT network can help SMEs gain essential knowledge on national rules

#2

Strengthen SOLVIT by making it more proactive and increasing awareness of its services



Heat Design is an Irish company, primarily selling stoves and electrical products. Established over 40 years ago and incorporated in 1997, the company employs 23 people. Approximately 70% of products sold by Heat Design are manufactured by them, while rest are manufactured in other countries. Approximately 85% of the company's sales come from Ireland, followed by the UK, while a small share comes from the rest of the EU.

The situation

Breaking into the European market has been a major challenge for Heat Design. Among others, the company faces challenges navigating the varying legal practices and resolving potential contract disputes, as each EU country has its own distinct legal and administrative traditions. Understanding these differences and staying updated on changes is both time-consuming and costly.

“I face considerable uncertainty around legal practices in different jurisdictions, especially when contracts are involved”

Eoin O'Connor, Managing Director at Heat Design

Call for action

A strong and proactive SOLVIT network could provide SMEs, such as Heat Design, with a singular source of up-to-date, comprehensive information on national requirements, laws, and legal practices. This would simplify the process of exporting to new EU countries by reducing the considerable initial investments in time and money currently required. By mitigating the challenges of navigating varying legal practices and resolving potential contract disputes, a strengthened SOLVIT network can help Heat Design expand across the Single Market.

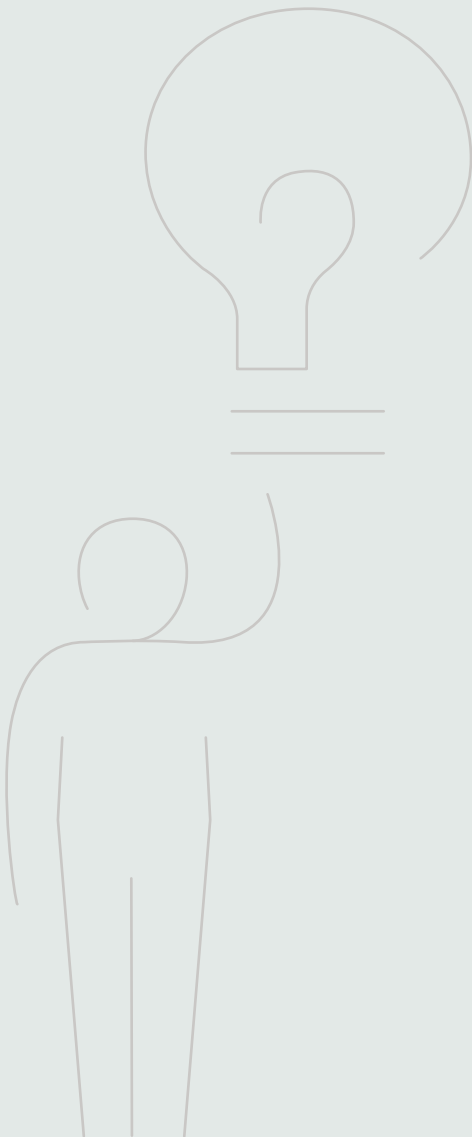


See country report



#3

Conduct a data flow test of all existing and new EU regulation



Access to data is vital for digitisation and driving and scaling new innovations, such as those required for the green transition. The European Commission has worked to remove barriers, but many still exist, often due to diverging privacy protection rules.



To safeguard the overriding interest in protecting personal privacy, while promoting dataflows, key actions include:

- Implementing a “data flow test” test to identify and remove unjustified barriers to data flows.
- Ensuring that privacy protection measures are designed to minimise restrictions on data flows.
- Encouraging policies that balance data flow promotion with privacy protection.



See SME business cases on the following pages



How a data flow test can help minimise restrictive data flow barriers for innovative health tech companies

#3

Conduct a data flow test of all existing and new EU regulation



LEIA was founded in 2021 with the vision to support women within their first year of motherhood. LEIA has developed a postpartum health tracker app that offers medically validated content (created by doctors, psychologists, midwives, breastfeeding professionals, parent coaches, and others) that is easily accessible and tailored to individual needs. The app offers features for monitoring physical and mental well-being, early detection of complications, and self-care checklists that support postpartum recovery.

LEIA has established its content databases in Europe and the US, but the app has been released globally.

The situation

The LEIA app relies heavily on personal data. Expanding the app globally demands a thorough understanding of national regulations and strict adherence to General Data Protection Regulation (GDPR) requirements in each market. LEIA must also ensure that content delivery services to their databases comply with GDPR standards.

Frequently, LEIA encounters ambiguities in national guidelines, complicating compliance assessments. Implementing a data flow test is essential to preserve personal privacy while minimising restrictions on data flows.

Call for action

Ensuring GDPR compliance required significant resources in the development phase. LEIA estimates that a minimum of four weeks of full-time effort from a legal compliance officer was required for the Swedish launch alone. Fortunately, LEIA was granted legal assistance pro bono thanks to their participation in a Women in Tech Programme, which helped cover compliance costs.

Minimising unnecessary data flow restrictions through a data flow test would ensure that LEIA and similar businesses do not face prohibitive costs in launching and expanding their products.



See country report



How a data flow test can help SMEs reach new countries

#3

Conduct a data flow test of all existing and new EU regulation



Lettvint is an Austrian one-person business offering business advisory services in change processes, problem-solving, team and business coaching, and communications strategy. The company, founded and led by Brita Eipeldauer, delivers its services both in person and online, serving clients in Austria and through business partners in other countries.

The situation

As a young and small business, Lettvint faces significant uncertainty and information barriers when navigating data protection requirements at national and sub-national levels across the EU.

A “data flow test”, obliging national and EU legislators and regulators to systematically assess the disproportionality of their data protection requirements, would help businesses like Lettvint to overcome data flow barriers and thrive in the Single Market.

“Trying to expand my online services in Germany, for example, was overwhelming due to the level of detail regional discrepancies in data protection laws. It was too early, too uncertain and too costly for me to hire a company in Germany to handle such matters.”

Brita Eipeldauer, Founder and CEO at Lettvint

Call for action

Barriers to data flows, including inconsistent data protection requirements across the EU, prevent small businesses like Lettvint from expanding online services across the Single Market. This is often because the costs and uncertainty over revenue are considered too high by early-stage businesses with limited revenues.

For example, in Austria, Lettvint hired a local firm to handle compliance for offering services online. However, in Germany, regional discrepancies in data protection laws, high costs of acquiring relevant information, and uncertainty over revenues led Lettvint to refrain from setting up online services.

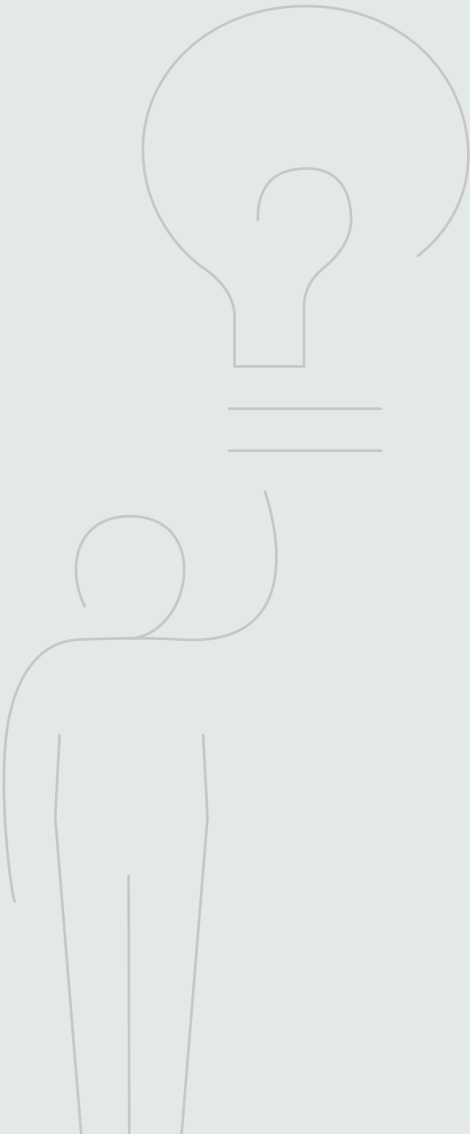


See country report



#4

Upgrade the European semester and close the compliance gap



National governments may lack incentive to timely and consistently transpose EU rules into national legislation, sometimes leading to 'gold-plating'. This compliance gap undermines trust among firms and citizens in the Single Market and signals to individual governments that non-compliance has minimal consequences.



To close the compliance gap and harmonise the implementation of EU regulations, we recommend incorporating specific measures into the European Semester¹:

- Leverage the European Semester's mix of surveillance mechanisms and potential sanctions to enforce compliance.
- Ensure national governments transpose EU rules without unnecessary additions ('gold-plating'), promoting consistency across member states.
- Establish regular monitoring and reporting on member states' compliance to increase transparency and accountability.



See SME business cases on the following pages



1) The European Semester is an annual cycle of economic and fiscal policy coordination within the EU. It provides a framework for monitoring and guiding the economic policies of member states to ensure stability, growth, and compliance with EU priorities.

How the lack of standardisation in national and EU regulations causes uncertainty

#4

Upgrade the European semester and close the compliance gap



Founded in 2012, Novoma specialises in high-quality food supplements to meet a multitude of different needs for healthy living. Novoma sells its good on their own website as well as on other online marketplaces. The company's main countries include France, Italy and Spain. Novoma also sells in Germany, but competition is very fierce.

The situation

In the EU, food supplements are formally regulated as food and are subject to a complex web of laws and regulations. Novoma has encountered significant obstacles and delays in registering their food supplements and preparing the necessary documentation for market entry in Italy, Spain, and Germany. These challenges are compounded by differing interpretations and enforcement of EU regulations across countries, along with additional national regulations specific to food supplements. As a result, companies must adeptly navigate these variations to ensure compliance across different countries.

The costs associated with this extensive documentation are substantial, posing a particular burden for SMEs.

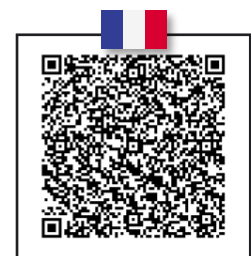
“Each country has their own requirements when it comes to food supplements. These requirements are difficult to navigate and can constitute large hurdles when first entering a new market.”

Lucas Pinos, Founder at Novoma

Call for action

Differences in the interpretation and application of regulations, coupled with additional national regulations, significantly increase uncertainty for businesses. For Novoma, these regulatory hurdles alone have extended their market expansion timeline by an estimated six months. Simplifying and standardising regulation is essential to closing the compliance gap within the Single Market, enhancing market efficiency and competitiveness. This approach is crucial to lowering entry costs and reducing the risks associated with expansion for SMEs.

To help address these challenges, the European Semester should leverage surveillance mechanisms to identify unnecessary additions to EU rules.



See country report



How 'grey zones' in regulation contribute to regulatory fragmentation and non-compliance

#4

Upgrade the European semester and close the compliance gap



BabyFORTE Medical is a 20-person company, operating from Berlin and specialising in high-quality nutritional supplements for women and men who wish to start a family, as well as expectant mothers. The company has two brands related to fertility – BabyFORTE® and MascuPRO®, which it sells domestically as well as on the European Single Market.

The situation

Regulatory fragmentation poses a major challenge for BabyFORTE, affecting much of its product portfolio. Different countries in the Single Market impose varying rules on ingredients like B vitamins, zinc, and selenium, and classify products as either food supplements or pharmaceuticals. While the EU regulates supplements as food, the list is limited and excludes many natural substances. Pharmaceuticals, regulated nationally, face differing interpretations across countries, making it difficult and time-consuming for BabyFORTE to navigate these inconsistencies.

“EU countries have different interpretations of nutritional substances and rules on what statements may be made related to our products. For example, there are different requirements for the maximum amount of folic acid.”

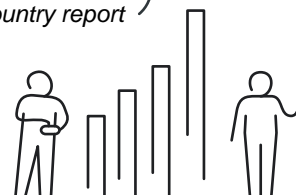
Anna-Maria Silinger, Founder and CEO at BabyFORTE Medical

Call for action

The regulatory 'grey areas' in certain industries and product categories, such as nutritional supplements, generate significant uncertainty and lead to regulatory fragmentation. Eliminating these ambiguities is crucial for ensuring the consistent and accurate application of EU regulations. This is essential to eventually closing the compliance gap, reducing legal advisory costs, and empowering SMEs like BabyFORTE to expand across the EU.

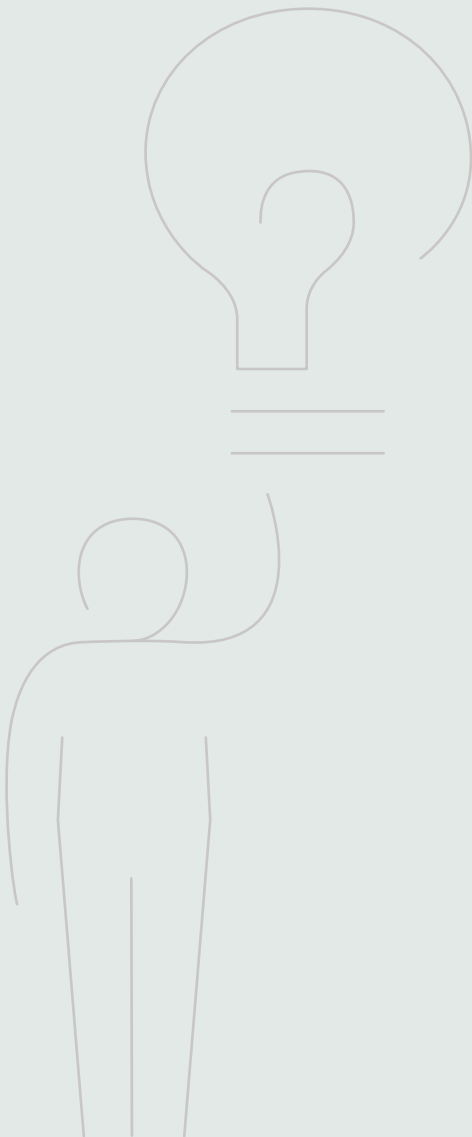


See country report



#5

Strengthen the use of the Better Regulation Toolbox



High-quality legislation is essential for efficiently achieving EU policy objectives. It prevents overregulation and unnecessary administrative burdens for citizens and businesses and facilitates easier transposition and application. Persistent compliance gaps and high administrative costs for firms highlight the need for better-designed EU legislation.



The Better Regulation Toolbox, with impact assessments as a key component, helps the European Commission design, deliver, and support high-quality policies. To enhance its effectiveness, we recommend that the European Commission:

- Ensures rigorous adherence to the impact assessment requirement for new regulations.
- Integrate implementation considerations more thoroughly into the design phase of new regulations, including stakeholder consultations, potential cross-border impacts, and mechanisms for consistent enforcement across member states.



See SME business cases on the following pages



How a more rigorous application of the Better Regulation Toolbox can serve SME needs

#5

Strengthen the use of the Better Regulation Toolbox



Nortem BioGroup was founded in 2015 and currently employs 34 employees. The company primarily focuses on selling natural and ecological food products, cleaning products, cosmetics, and dietary supplements across digital marketplaces in Spain, Germany, France, Italy, and the UK.

The situation

When expanding their business across multiple Single Market countries, Nortem BioGroup has experienced and eventually overcome barriers related to varying quality and safety regulations. The company overcame these challenges by deploying specialised professionals in administration, accounting, quality control, and product safety, which led to higher costs. To maintain compliance, Nortem BioGroup has needed to invest in continuous training and consultations with external experts.

“Simplification of administrative procedures is essential to streamline bureaucracy and facilitate trade in the Single Market”

José Luis Vázquez, Manager at Nortem Biogroup

Call for action

Overall, a more rigorous application of the Better Regulation Toolbox is essential to ensure that EU regulations are designed to fit business needs and address specific SME concerns. Streamlining procedures and product requirements, standardising forms and documents, and adopting electronic systems would also substantially reduce administrative costs for Nortem BioGroup. With nine employees in specialised departments, Nortem BioGroup estimates a 3-12 month timeline to launch in a new country, primarily due to the time required to secure compliance with national and EU regulations.



See country report



How a more consistent use of the Better Regulation Toolbox can simplify processes for SMEs

#5

Strengthen the use of the Better Regulation Toolbox



Bosch + Sohn is a 100-person business that specialises in the development and production of medical devices, including blood pressure meters, devices for body temperature measurement and other devices for cardiological diagnostics. They have headquarters in Germany and a sales and distribution office in Austria, and export mainly to the DACH region, Italy, Spain, France, Hungary, as well as some African, Middle Eastern and Asian countries, including China.

The situation

The new EU Medical Devices Regulation (MDR) imposes a significant burden on Bosch + Sohn. The new approval requirements entail substantial costs that disregard company size, making them particularly challenging for SMEs. Moreover, the approval process is notoriously lengthy and unpredictable, exacerbated by an insufficient number of notified bodies to assess applications. These delays are especially detrimental for products with short life cycles and high innovation rates, including those incorporating digital components and medical device connectivity. In the worst-case scenario, medical devices could become outdated before they are even formally approved.

“The lengthy approval procedures under the MDR can create financing problems for SMEs, as they delay returns on investments already incurred.”

Rudolf Mad, Managing Director Austria at Bosch + Sohn

Call for action

The new MDR has doubled approval costs for medtech manufacturers, leading to higher product prices. For smaller companies like Bosch + Sohn, these price hikes are even more pronounced compared to larger firms, putting SME competitiveness at significant risk. Prolonged approval procedures also cut into revenue by reducing market time.

A rigorous application of the Better Regulation Toolbox is essential. Simplifying approval processes and increasing notified bodies can ensure the MDR meets its goals: guaranteeing patient safety, maintaining product availability, and fostering innovation in Europe's medtech sector. This will alleviate financial burdens on SMEs and boost their competitiveness.

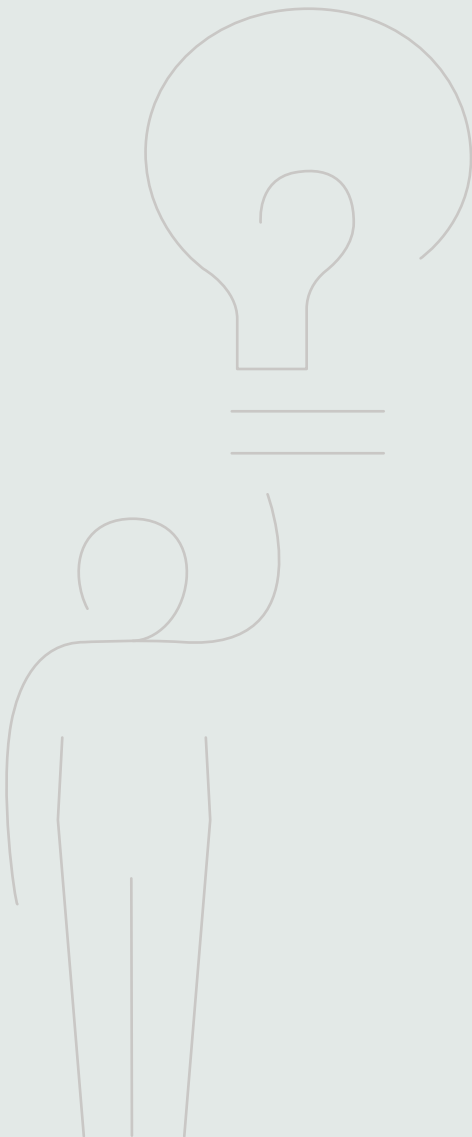


See country report



#6

Map and remove regulatory barriers to trade in climate goods and services



Regulatory barriers, often also indirect, significantly hinder global trade in goods critical for the green transition, i.e. climate goods.

Technical barriers (e.g., standards, regulations, labelling, conformity assessments, testing, certification), local content requirements, and government procurement challenges are considered to be the top regulatory barriers. These barriers also impede the free flow of climate goods and services within the Single Market.



To address regulatory barriers to climate goods, we propose that the European Commission adopt a "step-by-step" approach to regulatory harmonisation:

- Step 1: Define an initial list of climate goods and services
- Step 2: Map regulatory barriers that hinder free trade in the defined climate goods and services across borders in the Single Market
- Step 3: Take bold steps to remove unnecessary or unjustified regulatory barriers to trade in climate goods and services that are hindering the green transition at both the EU and national level



See SME business cases on the following pages



How removing obstacles to climate-related services can facilitate essential know-how across the Single Market

#6

Map and remove regulatory barriers to trade in climate goods and services



Ventilationscentrum is an alliance of ventilation companies, supported by the municipality of Enköping in Sweden. 70% of the ventilation technology that is used in the world is developed in Enköping, and the purpose of Ventilationscentrum is to gather, nurture, and spread Swedish expertise. The aim is to enable the industry to expand and scale up internationally.

The situation

Energy savings and indoor climate improvements are important EU sustainability priorities, and the installation of efficient ventilation systems is critical to both. The specialised skills required for operating, maintaining, and installing ventilation systems are in short supply in many EU countries, and the trade in climate goods is largely dependent on our ability to provide indispensable climate-related services. This shortage of expertise, if unaddressed, poses a risk of stalling the green transition.

A standardised ventilation technician training programme, and the subsequent certification, that applies across members of the Single Market and is based on the four freedoms would both increase the pool of available technicians and make it easier to provide services across countries.



See country report

Call for action

Regulatory barriers that exist for climate goods and services, including training programmes, make it difficult for EU companies to sell and provide the necessary skills across the Single Market. Removing regulatory barriers to the cross-border provision of installation, operation, and maintenance services will help EU firms provide the ventilation systems and supportive services that are needed in the transition to a more sustainable economy.

“The global demand for ventilation systems is growing, and transnational mobility of technicians is needed for EU firms to grasp this global opportunity. The development of a standardised ventilation technician training can pave the way for EU exports”

Martin Ancons, Co-founder at Ventilationscentrum



How removing regulatory barriers for construction materials can enable the green transition

#6

Map and remove regulatory barriers to trade in climate goods and services



Austria Metal Trading (AMT) was founded in 2016 in Lower Austria. The company specialises in the wholesale of metal products that have typically been contract-manufactured in Asia and Turkey. AMT's product portfolio includes ductile piles for construction sites as well as structural components for large photovoltaic (PV) plants, which account for important shares of company revenue.

The situation

AMT faces significant regulatory obstacles that hinder its expansion within the Single Market. In some Member States, national standards still apply in the construction industry, requiring additional national certification even for EU-certified metal products. This also extends to construction materials essential for key technologies driving the green transition. These national certification costs are prohibitively high for small companies like AMT, making certain countries inaccessible or requiring the establishment of an affiliate in the relevant country.

“Abolishing the current national provisions for the application of certain metal products would open up new markets in the EU for us.”

Gerald Seebacher, CEO at Austria Metal Trading

Call for action

The patchwork of directives, regulations, and national legislation in the construction industry drives up transaction costs, hindering companies like AMT from expanding within the Single Market due to high national certification costs.

Regulatory simplification, harmonisation, and common standards are essential. These measures would reduce costs for suppliers like AMT and facilitate their expansion into new EU countries. This is especially crucial for the EU supply chain for climate goods such as PV modules, roof mounting materials, and inverters, which currently face heavy, fragmented regulation. Streamlining these regulations would support SMEs and enhance the competitiveness of climate goods across Europe.

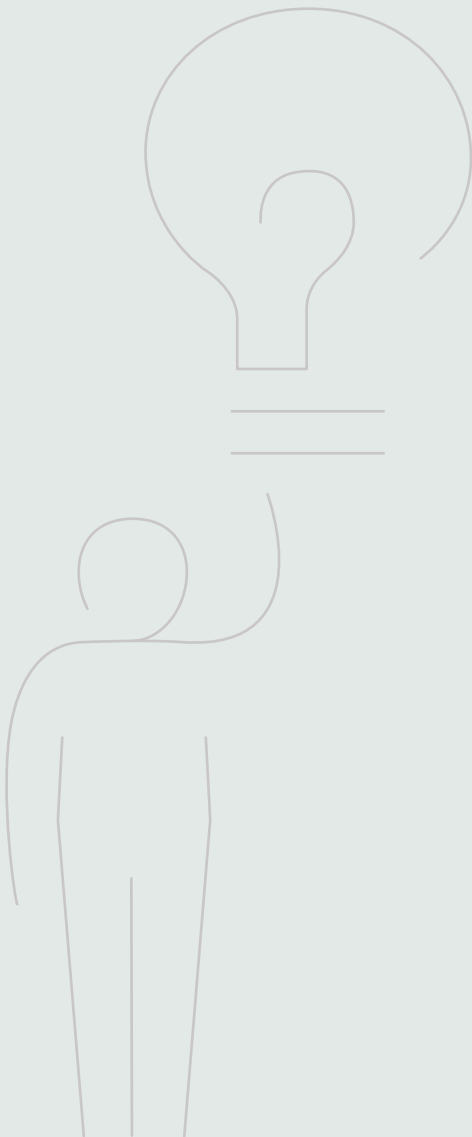


See country report



#7

Design the DPP in a way that makes the circular work of businesses easier



The Digital Product Passport (DPP) tracks product information across the value chain for environmental impact. Without careful design and SME input, it risks adding high costs and administrative burdens, limiting its effectiveness.



We recommend that the DPP is designed with the following features:

- Only data that is directly aligned with the DPP's objectives is required, ensuring efficiency and minimising unnecessary collection.
- The required data aligns with existing databases and systems so as to not create silos or duplication of efforts.
- That intellectual property rights are protected – again requiring a careful consideration of the data that is absolutely relevant for meeting objectives.



See SME business cases on the following pages



How a fair and non-discriminatory DPP can ease compliance and maximise its potential

#7

Design the DPP in a way that makes the circular work of businesses easier



Klümper is a family-owned company in Lower Saxony, Germany, specialising in gourmet ham products. The company is a market leader in innovation and premium products, despite a shrinking market. While Germany is the main market, approximately 14% of the company's revenue originates from other EU countries, while 22% originates from outside the EU.

The situation

Dennis Badberg, sales manager at Klümper, notes that EU countries are increasingly imposing country-specific requirements and specifications in their prominent industries. For instance, raw material specifications differ from country to country. In the Netherlands and Austria, there is a growing need to report on labels if only Dutch or Austrian raw materials have been used. Additionally, the company faces various country-specific requirements for packaging design and labeling, particularly related to nutritional value. Reporting this information, especially with varying and changing requirements, is costly and time-consuming.

“We have one FTE that does nothing else full-time than process various specifics of the product passport across dealers.”

Dennis Badberg, Sales Manager at Klümper

Call for action

Reporting required information for product passports can entail high administrative burdens and costs, particularly for SMEs, potentially complicating their circular work and limiting the potential of a proposed union-wide digital product passport (DPP).

SMEs like Klümper emphasise that the DPP should be designed to consider the resources needed for gathering detailed information across the value chain, requiring only relevant data. Additionally, harmonising requirements would ease compliance costs and maximise the DPP's potential.



See country report



How a well-designed DPP can simplify and reduce costs associated with labelling

#7

Design the DPP in a way that makes the circular work of businesses easier



Emilia Food Love is an Italian SME that distributes and markets Emilian food products. While a small company, Emilia Food Love is truly a globally oriented company in that 98-99% of its annual turnover comes from outside Italy – particularly the European Single Market and the United States, which are the most important sales countries.

The situation

Like many companies in the European food industry, Emilia Food Love faces diverging and complex national labeling requirements for both food products and packaging. For instance, Italy has specific requirements such as environmental labeling. Additionally, labels must be translated into local languages, requiring either larger packaging or country-specific packages, both of which incur extra costs.



See country report

Call for action

The requirement to include local languages on packaging forces Emilia Food Love to use larger outer packaging than necessary or produce country-specific packages. Allowing parts of the physical labeling to be replaced with a DPP would enable Emilia Food Love to reduce packaging size, saving significant costs and time. The DPP should of course be designed with the constraints of SMEs in mind, to avoid adding new burdens.

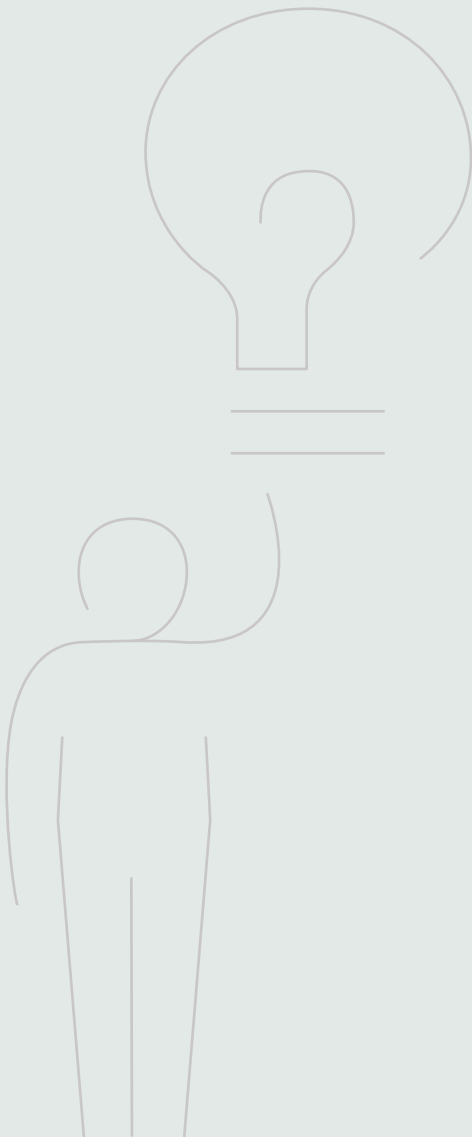
“The possibility to use digital labelling –e.g., through a QR code, for our products would significantly simplify and reduce the costs associated with the labelling and cross-border selling of our products.”

Andrea Magnone, Founder at Emilia Food Love



#8

Create a one-stop-shop to member states' EPR systems



Extended Producer Responsibility (EPR) is an EU policy that makes producers responsible for postconsumer product collection, sorting, and treatment. With over 100 different EPR schemes, each with unique registration requirements, the system is highly fragmented. This lack of standardization imposes significant administrative burdens on businesses operating in multiple Member States and product categories.



To address the fragmentation of EPR schemes in the EU, we recommend:

- Establishing a digital EPR 'one-stop-shop' for single registration and reporting to speed up registration across Member States and products.
- That the Commission oversees the portal, ensuring it provides up-to-date EPR information for all Member States.
- Expedite standardisation across Member States and products, while respecting national mandate over EPR schemes.



See SME business cases on the following pages



How a one-stop-shop for EPR can facilitate union-wide registration and reporting, and boost expansion

#8

Create a one-stop-shop to member states' EPR systems



Remo Sartori is an Italian clothing company, producing silk ties and accessories. The products are handmade by expert tailors in Italy and sold exclusively online. Approximately 45% of the company's sales are international, with 30% going to the United States and 15% to Europe. Remo Sartori sells its products through its own website in Italy and on other online marketplaces outside of Italy.

The situation

The European Commission is proposing mandatory and harmonised Extended Producer Responsibility (EPR) schemes for textiles across all EU Member States. Currently, the EU textiles industry faces many diverging EPR schemes at the national level. Remo Sartori finds it difficult and costly to comply with these varying EPR schemes. Acquiring the necessary information is time-consuming, and hiring a consultant is expensive. Despite silk products not being heavily regulated, there remains significant uncertainty regarding EPR requirements.

“When the EPR was introduced, I looked for various legal and commercial experts, but no one was prepared for it, in part because each country has its own requirements.”

Maria Antonietta Orlando, Founder and owner at Remo Sartori

Call for action

Creating a digital one-stop-shop for EPR can streamline single EPR registration and reporting, serving as a centralised, up-to-date information portal on EPR requirements across all Member States at the product level. This would reduce risk and complexity for SMEs like Remo Sartori and facilitate sales across the Single Market.



See country report



How a centralised system for EPR registration and reporting can make cross-border business less risky

#8

Create a one-stop-shop to member states' EPR systems



Since its establishment, PYC Sport has been selling sporting equipment. PYC Sport initially sold only snowboarding equipment, but has since expanded to summer equipment, including rollerblades, scooters and skateboards. The company boasts an annual turnover of EUR 40 million, which largely comes from e-commerce. They operate throughout Europe, selling directly to customers in some countries and working with distributors in others. The company's largest market is Germany, followed by the domestic Polish market, which accounts for approximately 30% of sales.

The situation

PYC Sport finds that multiple layers of regulation and varying applications of EU rules across Member States make entering contracts on producer responsibility complex. The differing EPR schemes throughout the EU, affecting a large share of the company's product portfolio, add to the cost, difficulty, and time required for compliance, creating high levels of uncertainty that can impede sales in new countries.

“Different countries have different regulations, and agreements with waste recipients must be signed everywhere. This subject raises many questions and uncertainties for us.”

Marcin Pyć, President at PYC Sport

Call for action

Currently, compliance with diverging EPR requirements requires weeks of correspondence with subcontractors and authorities for PYC Sport. A digital one-stop-shop for EPR could streamline single registration and reporting, serving as a centralised, up-to-date information portal on EPR requirements across all Member States at the product level. This would make cross-border business less risky and complex.

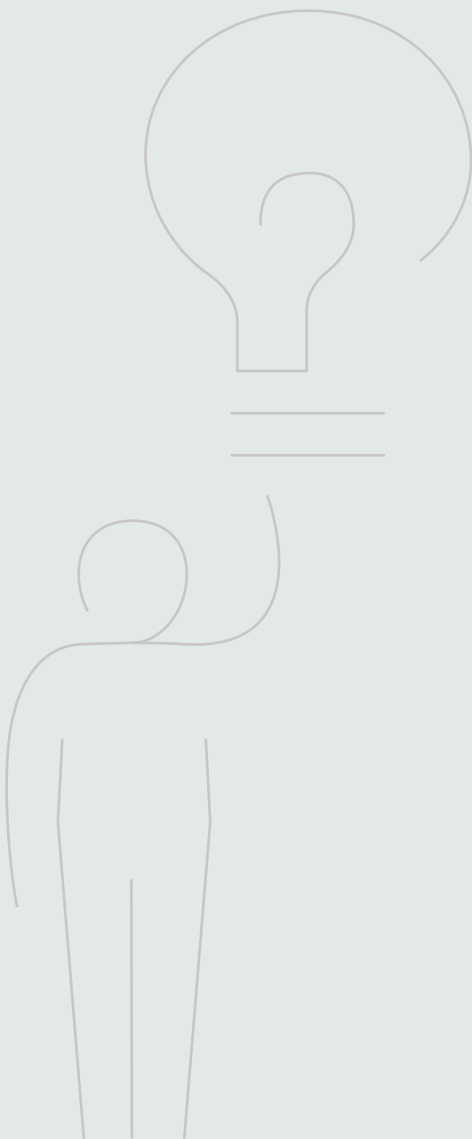


See country reports



#9

Create a single VAT ID and extend the VAT one-stop-shop



Making VAT procedures more straightforward can lead to substantial cost savings and reduced administrative burden, fostering business expansion. The EU Finance Ministers' endorsement of the "VAT in the Digital Age" initiative, which broadens the VAT One Stop Shop (OSS) framework to encompass domestic B2C transactions and internal stock transfers is encouraging. This will enable companies to complete a single VAT registration covering all their EU activities, with the system set to launch in July 2028.



- **Partnerships** including trade organisations and industry groups could help to maximise the impact of this initiative. This collaboration would help ensure a well-executed implementation by July 2028 and resolve any technical, regulatory, or operational obstacles to widespread adoption of the expanded OSS framework.
- The European Commission should promptly establish **pilot programmes** in partnership with essential stakeholders. Such pilots would enable practical assessment of the new VAT regulations, spotlight possible hurdles, and generate crucial feedback for optimising the system before its complete deployment.



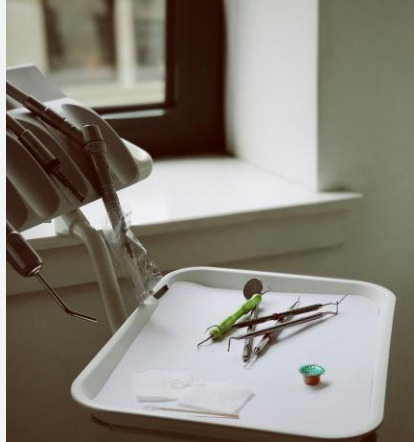
See SME business cases on the following pages



How a single VAT ID can make it easier and less costly for SMEs to comply with VAT registration obligations

#9

Create a single VAT ID and extend the VAT one-stop-shop



Y-Brush manufactures y-shaped electric toothbrushes with sonic vibration. Their revolutionary toothbrushes deep clean teeth in just 10 seconds. Headquartered in Lyon, France, the company is present across the European Single Market. Approximately 50% of Y-brush's sales come from exports, mainly to Germany, Belgium, Italy, as well as Hungary and the Netherlands.

The situation

Y-Brush finds that, despite the simplifications of the European VAT one-stop-shop (OSS) system, many challenges remain with EU VAT procedures. For example, to sell in Germany, the company must obtain a German VAT number, requiring a registration process conducted entirely in German. Additionally, the company must submit various VAT statements and declarations quarterly to maintain their local VAT numbers. Generating and filing VAT reports across multiple countries incurs substantial administrative costs and demands significant time investment.

"In Germany alone, we incur €4,000 in annual expenses related to VAT registration, regulation and other expenses - a burden replicated to varying extents in other countries as well."

Benjamin Cohen, CEO and Co-founder at Y-Brush

Call for action

Implementing a single VAT ID in the EU and extending the VAT OSS to cover all goods transactions would enable SMEs like Y-Brush to comply with VAT obligations using a single registration number for the entire Single Market. This would reduce complexity and cut costs associated with VAT registration.



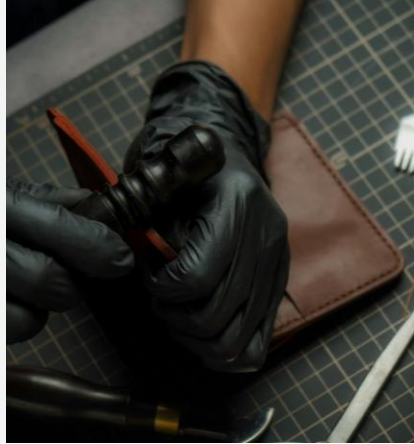
See country report



How a single VAT ID and extended VAT one-stop-shop can enable SMEs to compete more effectively in foreign countries

#9

Create a single VAT ID and extend the VAT one-stop-shop



Garzini is a Belgian company specialising in the design and manufacture of cleverly designed accessories, including wallets, card holders and key holders. The company is present across the EU market through retailers and web shops. Garzini exports to many countries, with the bulk of business taking place in the Netherlands, Germany, Italy, Spain and France.

The situation

Despite simplifications introduced by the VAT OSS, Garzini still faces challenges with VAT processes, including paperwork and time investments. For instance, a local VAT number is needed to stock products in each country, creating a barrier to piloting new products in foreign countries. Stocking in one country and exporting to another puts Garzini at a disadvantage against local competitors due to longer delivery times. Additionally, Garzini and other SMEs have experienced difficulties with the OSS, such as delays in communication between different country administrations, leading to erroneous compliance fines.

“For example, In Germany, it took our company 4-5 months and many up-front costs to get a VAT number. For a company like ours that targets the gifting season, we are significantly affected by these delays and must plan far ahead if we decide to expand. Moreover, the ongoing reporting required to comply with different VAT regulations costs our whole company one day a month, not including monthly external costs of €300-400.”

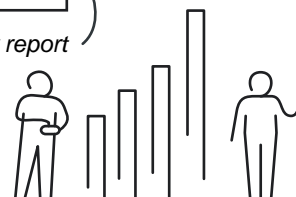
Christophe De Smet, CEO and Founder at Garzini

Call for action

Implementing a single VAT ID system across the EU and expanding the VAT OSS to encompass all goods transactions would significantly benefit SMEs like Garzini. This change would allow them to fulfill VAT obligations using a single registration number applicable throughout the entire Single Market. Such a system would not only streamline compliance processes and reduce administrative burdens but also lower the costs associated with VAT registration and reporting. Additionally, it would enhance operational efficiency, enabling SMEs to compete more effectively in foreign countries.

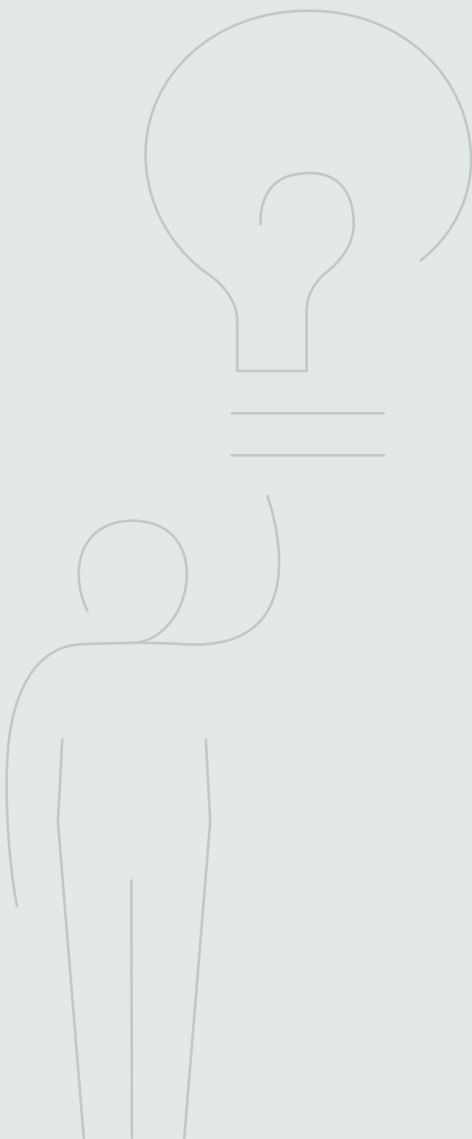


See country report



#10

Recognise digital labelling as a true substitute for physical labelling



To sell products in the EU, producers must provide compliance information at both EU and Member State levels. Varying labeling requirements create high administrative costs, especially for SMEs. The EU also relies on physical markings, with digital labeling being optional.



To modernise EU labeling requirements and reduce costs and administrative burden on producers, we recommend that the European Commission:

- Allow manufacturers to choose between digital or physical labels, treating digital labels as true substitutes across product groups and Member States.
- Build on the momentum and lessons from digital labeling proposals within chemical regulations.



See SME business cases on the following pages



How digital labelling can enable easier expansion to new European countries

#10

Recognise digital labelling as a true substitute for physical labelling



Sliabh Liag Distillers is a family-owned business based at the Ardara Distillery in Ireland's County Donegal. The company produces peated whiskeys and gin, and also operates a blending business. Founded in just 2014, today the company exports to over 40 countries, including most of the EU, US, Canada, South Africa and more. Over 95% of the company's sales come from exports.

The situation

Sliabh Liag Distillers has encountered regulatory and bureaucratic hurdles while expanding into EU countries. A significant challenge involves national labelling requirements, which are particularly cumbersome for alcohol products. These requirements, covering information such as ingredients lists, health warnings, and recycling instructions, vary from country to country and are subject to differing national interpretations. While most mandatory labelling requirements are managed by local distributors, they introduce additional costs throughout the value chain, ultimately reducing the value for Sliabh Liag Distillers.

“For example, currently one country has introduced a narrow definition of what ‘gin’ is and how it can be referred to on bottles. This means that we essentially cannot include ‘maritime’ as a descriptive term for our gin.”

James Doherty, Managing Director at Sliabh Liag Distillery

Call for action

The diverging national labelling requirements that Sliabh Liag Distillers encounters in the European market introduces unnecessary costs and delays to sales. While streamlining and simplifying labelling requirements across the Single Market would be ideal, adopting digital labelling as a true substitute for physical labels could significantly ease the burden.

Digital labelling would make it simpler and more cost-effective to update product information in local languages and meet local requirements. Additionally, it would allow the inclusion of educational information, addressing health concerns without creating undue fear.



See country report 



How digital labels can reduce costs associated with complying with various labelling requirements

#10

Recognise digital labelling as a true substitute for physical labelling



AfroRicci is an Italian cosmetics company selling mainly products for curly and afro-textured hair. The company sells its products online under their own brand on Amazon marketplace. The company currently sells mostly to Italy, which accounts for approximately 90% of its revenues, but is trying to expand sales in other EU countries.

The situation

One significant challenge that AfroRicci has encountered while expanding its presence in the EU market significant has been the differing labelling requirements, mandated by different Member States. This issue is particularly pronounced with physical labels, which must be customised and separately printed for each European country in the local language. For a small company like AfroRicci, producing labels that comply with national requirements when entering a new country is risky, given the high administrative costs and uncertainty about expected revenues.

“Tailoring our products, or product labels, to the national requirements of a new country of sale is a very big investment for us, especially since the local brand awareness is still small and the uncertainty of being able to cover these costs is high.”

Alice Edun, founder and owner at AfroRicci

Call for action

The patchwork of national requirements that AfroRicci encounters in the European market, particularly regarding labelling, hinders EU-wide expansion. Adopting digital labels would simplify and reduce the cost of including and updating product information in all required languages. Digital labelling would also eliminate the need to tailor packaging for individual countries, offering AfroRicci greater flexibility and enabling them to scale up production.

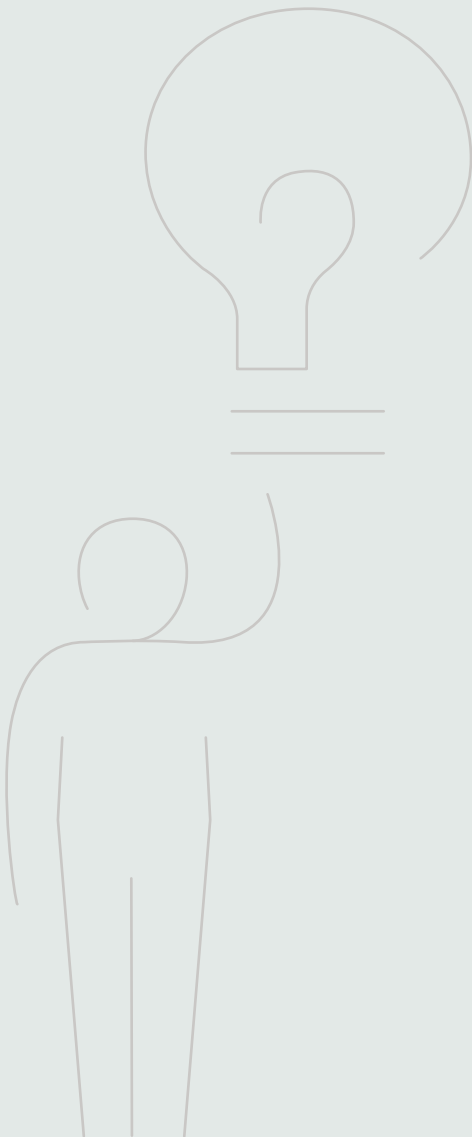


See country report



#11

Create an easy, fast, reliable, and low-cost system for cross-border payments



Survey results show that SMEs find the high cost and complexity of cross-border payment methods to be significant barriers to do more business on the Single Market. Affordable and effortless payment solutions are critical for the functioning of the Single Market.



To address the high cost and complexity of cross-border payments, we recommend that the EU:

- Develop an open, competitive legislative framework for low-cost, easy, safe, and reliable cross-border payments.
- Avoid regulations that limit access to seamless cross-border payment solutions.
- Create incentives to foster a competitive ecosystem, empowering consumers to make informed decisions and reducing payment costs for merchants.
- Lead regulatory development on instant payments and central bank digital currencies to modernise cross-border financial services and set high international standards.



See SME business cases on the following pages



How a more competitive cross-border payment ecosystem can level the playing field for SMEs selling in foreign countries

#11

Create an easy, fast, reliable, and low-cost system for cross-border payments



Zlideon is a Swedish innovation-driven company founded in 2005. The company produces a zipper pull that can be used to repair broken zippers. The zipper pull is produced in Germany, and the company itself has two employees with a turnover of EUR 0,5 million in 2022. The product is sold through resellers, such as Lindex in Sweden, but also through direct sales at Zlideon's online shop and online marketplaces.

The situation

Affordable and efficient cross-border payment methods are essential for the Single Market's success. Currently, a few financial services corporations dominate cross-border payment options, imposing high fees on merchants and driving up costs for consumers, which disadvantages SMEs. In contrast, domestic payments often have more options, such as bank transfers. Establishing conditions for low-cost cross-border payment systems will enable consumers and merchants to trade confidently across borders within the Single Market at a lower cost.



See country report

Call for action

A competitive ecosystem for cross-border payments would level the playing field for SMEs like Zlideon and ensure that EU consumers have access to a diverse range of providers. It would also standardise fees, allowing consumers to pay the same rate whether they choose a local or foreign provider.

“For simple, low-margin products like ours, even small differences in transaction fees can impact customers’ choice.”

Eva Wilander, Founder and CEO of Zlideon



How affordable, efficient cross-border payment methods can help merchants do businesses more economically

#11

Create an easy, fast, reliable, and low-cost system for cross-border payments



Caro Group sells home furnishing items, predominantly wallpapers, posters and other decorations for interior walls, online to a European customer base. The company's biggest export countries include Germany, France, Spain and Italy. Since moving to an online marketplace, under the brand "Feeby", the company is serving an even larger B2C segment.

Situation

Caro Group has faced high fees on cross-border transactions, a significant regulatory and administrative challenge while expanding across the European market as a small business. A handful of financial services companies currently control cross-border payment options in Europe, leading to high fees for merchants and increased costs for consumers. SMEs like Caro Group bear a heavier burden, as these fees can be disproportionately high relative to their expected revenues. Even small price differences can influence customers to choose local businesses with more competitive payment options.

"It can be hard for us to be competitive with local players – not only due to typically longer delivery times, but also due to high cross-border payment fees."

Marta Naranowicz, CEO and COO at Caro Group

Call for action

Affordable and efficient cross-border payment methods are essential for the functioning of the Single Market. Establishing conditions for the development of low-cost cross-border payment systems will ensure that consumers and merchants can conduct business confidently and economically across borders within the Single Market. A more competitive payment ecosystem would level the playing field for SMEs, such as Caro Group, and enable them to expand their market potential.



See country reports



About Implement Economics

Implement Economics is the economics expert unit of Implement Consulting Group. Our experts are advisers to corporate and government decision-makers within regulation, trade, digitalisation, decarbonisation, and globalisation. The team applies economic modelling, data analytics and econometrics to help solve worthwhile problems.

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