

EU Consultation: A Fair & Competitive Digital Economy

European Association of Chemical Distributors (Fecc)
Contact : Elias Rito, Technical & Regulatory Affairs Manager (eri@fecc.org)

February 2021
www.fecc.org

While acknowledging the consultation for a fair and competitive digital economy Fecc would like to raise the following points:

1. On the scope and definition of digital activities/transactions or companies subject to the initiative - Fecc welcomes the initiative of the Commission and the national Competent Authorities to further promote digitalisation within the EU, provided that it is in accordance with the following premises of the articles of this regulation:

European Council document EUCO 10/20 - In its own conclusion of the European Council meeting on 20 July 2020 (link), expenditures concerning digital services are promoted under the European Strategic Investments Platform to foster the competitiveness of SMEs. In ensuring funding and financial incentives are available for SMEs to further invest in digitalisation, Europe's digital transformation would be facilitated at a rate that these platforms become the norm rather than the exception.

A digital levy for SMEs and start-ups within the EU would defeat the purpose of the European Strategic Investments platform. The 'fairness consideration' clause should remain in the proposal in order to take into account the possible impact on SMEs, particularly on digital companies with less means, which are struggling with the overlapping European and national regulatory frameworks that are in place.

2. On the role of the chemical distribution industry in digitalisation - The proposal for an EU-wide tax levy should be targeted to multinational e-commerce platforms that particularly choose to set their headquarters in countries with favourable national tax regimes, also in terms of creating a global level playing field. Digital platforms in the chemical industry, on the other hand, have zero to minimal digital footprint and are still in their infancy. If an extraordinary levy or tax is applied, the chemical industry could be disincentivized to further digitise the transactions in a moment where such transactions are gaining more market share.

3. On the fair implementation of B2C services in the EU - Fecc believes that the EU should encourage commerce to be conducted in a digital manner. It could be advantageous for any company, especially SMEs, to be encouraged to conduct commerce online. We request the Commission to consider the position of the chemical companies' in this digital transformation and to further stimulate industries with emerging digitalised services through financially incentivizing SMEs to promote digital platforms as stipulated in the EU Digital Strategy. A digital levy would have the opposite effect and would disproportionately impact companies in our sector that have already invested in digital solutions for their customers.

As the association that represents chemical distributors, most of which are SMEs, we believe that innovation, digitalisation and a sound regulatory framework go hand-in-hand. We would be happy to engage further with the Commission in the pursuit of sustainable, future-oriented solutions in this area.

To access the Fecc's response on the EU Commission's website, please [click here](#).