Employers entrusted to deliver Sustainability Growth Innovation

Mr Antonio Costa
President of the European Council

Competitiveness, Single Market and the European Model: SGI Europe key messages ahead of the 12 February Leaders' discussion

Brussels, 11 February 2026

Dear President Costa,

Ahead of the Informal Leaders' Retreat of 12 February on competitiveness and the Single Market, SGI Europe, the European cross-sectoral social partner representing employers providing services of general interest, wishes to convey a focused message to support the Leaders' strategic discussion.

The current debate on competitiveness takes place under strong geopolitical and geoeconomic pressure. In this context, clarity of direction matters. Europe should strengthen its competitiveness by building on its own economic and social model, not by drifting towards models based on lower standards, weaker public infrastructures and reduced universal service capacity.

Europe's competitiveness rests on its values-based market economy and services of general interest are one of its structural pillars. Reliable essential services, universal access, territorial coverage and affordability are not secondary social correctives: they are hard competitiveness factors. They underpin productivity, investment security, social stability and democratic trust. A competitiveness strategy that overlooks or weakens this foundation would be economically counterproductive and politically risky.

We count on your leadership to **keep the course firmly set on the European model of competitiveness and the Single Market, anchored in welfare, cohesion and democratic resilience**, and to resist pressures to align with external models that do not share these fundamentals.

Resilience, scale and strategic autonomy are not achievable without strong SGIs. Reducing dependencies and responding to economic coercion requires more than industrial scale and technological capacity. It requires resilient energy, water, transport, housing, health, digital and social systems that function across all territories and under stress conditions. **SGI operators are already delivering this resilience on the ground; EU competitiveness and security strategies should explicitly recognise and support this role.**

The Single Market must be strengthened, but with a clear compass. Deepening and integrating the Single Market is essential. But the Single Market must not be an end in itself. It is rather a strategic instrument to deliver prosperity, cohesion, democratic stability and citizens' wellbeing. These objectives, at the core of the EU project, cannot be achieved without strong and investable services of general interest.

Current reflections on the future of the Single Market rightly identify several key enablers now moving forward, such as scale-up measures, regulatory simplification and the upcoming proposal for a 28th regime. **One enabling pillar, however, remains largely unactivated: the Freedom to Stay put forward in the Letta Report.**

Competitiveness and cohesion cannot be treated as separate tracks. Scale and innovation will not materialise if territorial divides widen and essential services weaken. **The capacity of citizens and companies to thrive where they are is directly linked to access to affordable, high-quality services of general interest and essential services**.

Without the Freedom to Stay, **meaning the real capacity for citizens and companies to live, invest and operate where they choose, thanks to reliable and affordable essential services and local SMEs**, the Single Market cannot be completed as a competitiveness project with social and territorial substance. It would risk producing scale without cohesion and competitiveness without stability.

Activating this missing enabler requires a **dedicated EU policy and investment framework focused on services of general interest and their infrastructures, ensuring long-term capacity, territorial coverage and affordability**. We would therefore encourage EU Leaders to invite the Commission to develop a concrete initiative to operationalise this dimension.

From this perspective, three policy directions are critical:

1. **Explicitly recognise essential services and infrastructures as core competitiveness and security assets in EU competitiveness, preparedness and economic security strategies.**
2. **Ensure that simplification and Single Market deepening measures deliver legal certainty and long-term regulatory stability for SGI investment and infrastructure planning.**
3. **Design new Single Market tools, such as the 28th regime, so they remain fully compatible with public service obligations and long-term SGI investment models.**

Completing the Energy Single Market and accelerating electrification – together with other climate-neutral and technology-neutral solutions – should be pursued as competitiveness and security priorities, with affordability and territorial balance treated as binding conditions, not optional outcomes.

As the cross-sectoral social partner of SGI operators, SGI Europe is ready to contribute directly to shaping and implementing this pillar, ensuring the appropriate follow-up to the upcoming Leaders' discussions.

Yours sincerely,

Ingbert Liebing
President

Valeria Ronzitti
General Secretary