





Procedure file

Basic information		
INI - Own-initiative procedure	2007/2024(INI)	Procedure completed
Single market review: tackling barriers and inefficiencies through better implementation and enforcement		
Subject 2 Internal market, single market		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Internal Market and Consumer Protection		19/12/2006
		PPE-DE TOUBON Jacques	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Economic and Monetary Affairs		13/03/2007
		UEN RYAN Eoin	
European Commission	Commission DG	Commissioner	
	Financial Stability, Financial Services and Capital Markets Union	MCCREEVY Charlie	

Key events			
15/02/2007	Committee referral announced in Parliament		
09/07/2007	Vote in committee		Summary
23/07/2007	Committee report tabled for plenary	A6-0295/2007	
04/09/2007	Results of vote in Parliament		
04/09/2007	Debate in Parliament		
04/09/2007	Decision by Parliament	T6-0367/2007	Summary
04/09/2007	End of procedure in Parliament		

Technical information	
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Procedure subtype	Initiative

Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	IMCO/6/45743

Documentation gateway

Committee draft report	PE386.697	19/04/2007	EP	
Amendments tabled in committee	PE390.449	31/05/2007	EP	
Committee report tabled for plenary, single reading	A6-0295/2007	23/07/2007	EP	
Text adopted by Parliament, single reading	T6-0367/2007	04/09/2007	EP	Summary
Commission response to text adopted in plenary	SP(2007)5401	18/10/2007	EC	
Commission response to text adopted in plenary	SP(2007)5402/2	24/10/2007	EC	
Follow-up document	SEC(2008)3064	16/12/2008	EC	Summary
Follow-up document	SEC(2008)3074	16/12/2008	EC	Summary

Single market review: tackling barriers and inefficiencies through better implementation and enforcement

The Committee on the Internal Market and Consumer Protection adopted an own-initiative report drawn up by Jacques Toubon (EPP-ED, France) on the Single Market review. The report wished the Single Market review to be the occasion for demonstrating to the European public all the benefits that they can gain from the completion of the Single Market, and it called on the Commission and the Member States to close the gap between the potential and the reality of the Single Market. To this end, Members hoped that working relations with national parliaments may be strengthened, and regretted that Member States did not feel enough ownership of the Single Market on a practical level. In a Single Market delivering quality of life, environmental and consumer protection concerns need to be taken into account.

The Committee felt that new policy initiatives should be more driven by an analysis of the impact they have on various markets, economic sectors and the environment, and in the social sphere. It stressed the importance of boosting citizens' confidence by promoting social and environmental objectives common to the Member States, such as quality jobs, equality of opportunity, and protection of health and the environment, while respecting European cultural diversity. The Commission was asked to ensure that the EU performs its protective function in these areas and to avoid regulatory competition between the Member States.

The Committee made a series of recommendations, including the following:

- encouraging the free movement of workers within the Single Market;
- putting in place practical measures designed to support the innovative potential of craft and small enterprises;
- adopting a global strategy concerning intellectual property rights and to strengthen the protection of those rights as a tool to support innovation;
- combating fraud and piracy within the Single Market;
- tackling climate change and ensuring sustainable development;
- increasing consumer confidence in cross-border purchases by putting an end to the fragmentation of the Single Market in the digital environment;
- further improving accessibility for disabled people, the elderly and children;
- encouraging Member States to improve access for SMEs to public procurement contracts and to applying pre-commercial procurement to improve the innovative capacity of the Single Market;
- removing obstacles to the creation of a single payments area, as well as further liberalisation of postal markets, while ensuring the financing of an efficient universal service;
- furthering financial integration in the European Union;
- investigating tax problems related to personal mail order and Internet shopping;
- ensuring that risk capital from the European Investment Fund usefully reaches SMEs and innovative enterprises;
- increasing its staff resources and improve its information strategy;
- establishing an effective fast-track arbitration redress mechanism to be established at EU level to promote the prompt resolution of disputes concerning Single Market rules;

The report welcomed the Commission's initiatives to reduce the administrative burdens for businesses and urged that further efforts of this kind be made to improve access to the Single Market without reducing the necessary protection for citizens, consumers and employees.

The Committee went on to state that boosting competition through regulatory reform is the stimulus that Europe needs to improve productivity, and it reiterated that Parliament's rights in the context of regulatory reform should be fully respected. It called on the Commission to incorporate an 'Internal Market Test' into the better regulation mechanisms, as advocated by Parliament, to ensure that regulators always take into account the implications of their actions on the four freedoms of the Single Market, alongside the other aspects that they are required to consider, notably sustainability and employment.

The report regretted the fact that some Member States are taking measures to protect their national markets, and emphasised the importance of achieving a level playing field across the Single Market, stressing that a well-functioning Single Market constitutes a competitive advantage for Europe in the face of globalisation. It called on the Commission, when framing internal policies, systematically to evaluate and take into consideration similar policies implemented by the EU's major partners, such as the US, Russia, China, India, Brazil, Japan and so on, with a view to improving the EU's competitiveness and removing barriers to global trade.

Single market review: tackling barriers and inefficiencies through better implementation and enforcement

The European Parliament adopted a resolution based on the own-initiative report drafted by Jacques TOUBON (EPP-ED, FR) on the Single Market review. The report was adopted by 534 votes in favour to 119 against with 27 abstentions. It welcomed the Commission's work on the Single Market Review, calling, however, on the Commission and the Member States to close the gap between the potential and the reality of the Single Market. An improvement in the functioning of the Single Market was still necessary. There was a need to complete the opening of network industries, such as transport, telecommunications, postal services and energy transmission, which was the best means of completing the Single Market as part of a responsible market economy facilitated by effective regulatory mechanisms. Parliament also passed an amendment, inviting the Commission to take initiatives to overcome the legal uncertainty regarding the status of services of general interest, notably the state aid and public procurement rules. It welcomed the initiatives of the Commission which aimed to clarify ambiguities in the fields of health services and social services of general interest in the Single Market. Parliament considered strong and modern services of general interest were necessary in order to achieve public interest objectives, such as social and territorial cohesion, environmental protection and cultural diversity.

Parliament went on to stress the following:

- new policy initiatives should be more driven by an analysis of the impact they have on various markets, economic sectors and the environment, and in the social sphere;
- the mobility of workers inside the Union's borders is a major element promoting the competitiveness of businesses, and it stimulates innovation by means of exchanges of expertise and increased competition;
- a good Single Market policy is fundamental to the stimulation of innovation through increased competition and to a business-friendly environment, which is of particular importance to SMEs;
- the importance of establishing a Community Patent and a high-quality, cost-effective, innovation-friendly judicial system for European patents which respects the competence of the Court of Justice;
- the importance of combating fraud and piracy within the Single Market;
- tackling climate change and ensuring sustainable development are of paramount importance, and can be achieved only with a balanced energy mix, and a Single Market policy promoting sustainable and competitive energy is vital to those ends;
- the need to make consumer law more effective for the Single Market. The mixed option approach, with a horizontal instrument, is the most appropriate with a view to strengthening consumer confidence. Parliament pointed out that only 6% of consumers make use of cross-border electronic commerce in goods. The Commission was asked to provide support for an appropriate framework for the development of electronic commerce;
- the continuing development of design standards, with the aim of further improving accessibility for disabled people, the elderly and children;
- public contracts must be awarded in a fair and transparent manner, observing public procurement rules, and they may also help promote innovation and technological development and help respond to environmental and social concerns, including accessibility for disabled people;
- the free movement of goods is vital for the efficiency of the Single Market. 25% of the goods manufactured in the EU are still not subject to harmonisation measures;
- the importance of removing obstacles to the creation of a single payments area, as well as further liberalisation of postal markets, while ensuring the financing of an efficient universal service;
- further financial integration in the EU is necessary to contribute to sustainable growth, notably via lower transaction costs, wider opportunities for risk sharing and a more efficient allocation of resources;
- the Commission should investigate tax problems related to personal mail order and Internet shopping, and come forward with proposals for facilitating EU citizens' full benefit from the free movement of goods. Member States should make full use of the principle of mutual recognition to ensure the free movement of goods in the interest of consumers and businesses. Parliament insisted on the pursuit of harmonisation in key areas, in particular retail financial services (including means of payment) and taxation;
- particular attention should be paid to the Single Market concerns of SMEs, in particular through improvements to the cost and speed of start-up processes, the availability of risk capital/venture capital, the cost and speed of payment services and the mobility of people, goods and services. Parliament called on the Commission to ensure that risk capital from the European Investment Fund usefully reaches SMEs and innovative enterprises;
- the Commission should push ahead with its proposals concerning a common consolidated corporate tax base;
- it was important to establish an effective fast-track arbitration redress mechanism to be established at EU level to promote the prompt resolution of disputes concerning Single Market rules.
- Parliament regretted that insufficient emphasis was placed on the potential contribution of nuclear power.

Parliament moved on to state that boosting competition through regulatory reform is the stimulus that Europe needs to improve productivity, and it reiterated that Parliament's rights in the context of regulatory reform should be fully respected. It called on the Commission to incorporate an 'Internal Market Test' into the better regulation mechanisms, as advocated by Parliament, to ensure that regulators always take

into account the implications of their actions on the four freedoms of the Single Market, alongside the other aspects that they are required to consider, notably sustainability and employment.

The report regretted the fact that some Member States are taking measures to protect their national markets, and emphasised the importance of achieving a level playing field across the Single Market, stressing that a well-functioning Single Market constitutes a competitive advantage for Europe in the face of globalisation. It called on the Commission, when framing internal policies, systematically to evaluate similar policies implemented by the EU's major partners, such as the US, Russia, China, India, Brazil, and Japan, with a view to improving the EU's competitiveness and removing barriers to trade.

Lastly, it called on the institutions of the EU to position the Union as an entity with regard to future trends in the global economy so as to ensure both the efficiency of the Union's trade defence and its sustainable competitiveness. Parliament was of the opinion that the Transatlantic Internal Market could be an appropriate instrument to these ends.

Single market review: tackling barriers and inefficiencies through better implementation and enforcement

This Commission Staff Working Document covers 'The Single Market Review: one year on?'. Since November 2007, the Commission has been working with all stakeholders to implement a programme of concrete measures to ensure that the single market is up to the job of continuing to deliver for Europe. The Single Market Review put citizens, consumers, and SMEs at the centre of policy-making. It set out to modernise how the single market delivers these results, through more evidence based tools and through partnership with the Member States.

The Commission concludes that considerable progress has been made over the past year to implement its shared vision for the single market of the 21st century. It notes that 2009 will see a renewed effort to drive the modernisation of single market policy even further and to ensure that it can play its full part as a launch-pad for economic recovery.

Today's single market can deliver tangible results for consumers and SMEs: stronger contractual rights, better quality and a wider choice of products and services at lower prices, effective redress and simpler and better information about their single market rights. It can provide safer medicines and cheaper and safer financial products - bank accounts, savings, investment products and payments. It should over time remove those unjustified obstacles to cross-border buying that few citizens understand.

SMEs can benefit from lower costs and administrative burdens, from simpler company rules and better access to markets in other Member States. They should be able to rely on a simple and single company statute, obtain payments from their debtors more promptly, use electronic procedures instead of paperwork and deal with administrative formalities through one contact point.

Unnecessary barriers for cross-border e-business are being tackled. Public procurement rules make it easier for SMEs to bid for tenders and electronic procurement should bring further savings in costs and effort. Member States will have to screen national rules for service provision to make them simpler and more single market friendly.

All these improvements are either underway or within reach - but many depend on Member States reaching agreement quickly and implementing agreed reforms in a timely manner. The Commission will continue to work in close cooperation with Member States to ensure that the progress made is properly communicated to the public at large, to create consensus and to help rebuild confidence among market players and consumers. This is particularly important at national and local level, where all the existing tools for cooperation, including the communication management partnerships, should be deployed.

The economic crisis has vividly demonstrated the pertinence of the new approach set out in the Single Market Review: the focus on empowering consumers and SMEs, fostering investment and innovation, and developing the social and environmental dimensions of the single market. But recent events have also added a new sense of urgency to the reform process. Getting results will depend on how successfully the EU develops and manages new evidence-based tools and new working methods through a closer partnership with Member States and all stakeholders - consumers, social partners, economic actors and civil society alike.

The European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions are invited to contribute actively to the important work ahead.

Single market review: tackling barriers and inefficiencies through better implementation and enforcement

This paper presents the progress made in 2008 with the market monitoring initiative, which is still in a pilot phase. Market monitoring relies on a better knowledge of the functioning of markets to achieve its goal to improve the governance of the Single Market. The findings of the market monitoring feed into policymaking by facilitating problem definition and improving policy design.

Market monitoring has been implemented in two stages. In a first stage, a screening has been carried out to identify sectors meriting closer scrutiny. In a second stage, in-depth analyses of market functioning in the sectors identified are being conducted. On the basis of the experience gained, the Commission will be working in 2009 with Member States and industry stakeholders to develop review and adapt the methodology. At the end of the year, the Commission intends to take stock and decide how to proceed with market monitoring in the years to come.

The use of the market monitoring tool is particularly relevant under the current economic conditions. Well functioning goods and services markets can contribute to improve the adjustment capacity of the EU economy and cushion the impact of the financial crisis on the real economy. Moreover, market monitoring can be used to facilitate the dialogue with Member States, business, consumers and other stakeholders, whose support is essential to undertake the required structural reforms. As part of this process of dialogue, this paper intends to inform stakeholders of the progress made with the project and explains how they can get involved with the work. Finally, a well regulated and competitive Single Market should result in increased opportunities for businesses and lower prices and better quality for consumers. This is fully in the spirit of the European Economic Recovery Plan put forward by the Commission on 26 November which highlights the need to boost consumer and business confidence.

This paper: (i) introduces the market monitoring tool and presents its expected benefits in terms of policy making; (ii) presents an update of the sector screening at the EU level, including an analysis of the causes of potential market malfunctioning in the selected sectors as well as the work undertaken at the Member State level; (iii) presents some initial results from the first in-depth market monitoring analyses; and (iv) describes issues to be resolved and next steps to be taken to make a success of the market monitoring initiative.