

# Procedure file

Basic information		
INI - Own-initiative procedure	<a href="#">2010/2277(INI)</a>	Procedure completed
Single market for enterprises and growth		
Subject		
2.10.02 Public procurement		
2.40 Free movement of services, freedom to provide		
3.45.02 Small and medium-sized enterprises (SME), craft industries		
3.45.03 Financial management of undertakings, business loans, accounting		
3.45.05 Business policy, e-commerce, after-sales service, commercial distribution		
3.50.04 Innovation		
3.50.16 Industrial property, European patent, Community patent, design and pattern		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>IMCO</b> Internal Market and Consumer Protection		30/11/2010
		ALDE <a href="#">BUȘOI Cristian-Silviu</a>	
		Shadow rapporteur	
		PPE <a href="#">KARAS Othmar</a>	
		S&D <a href="#">VERGNAUD Bernadette</a>	
		Verts/ALE <a href="#">CANFIN Pascal</a>	
		ECR <a href="#">KOŽUŠNÍK Edvard</a>	
		EFD <a href="#">SALVINI Matteo</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>PETI</b> Petitions		The committee decided not to give an opinion.
	<b>CULT</b> Culture and Education		The committee decided not to give an opinion.
	<b>ENVI</b> Environment, Public Health and Food Safety		The committee decided not to give an opinion.
	<b>EMPL</b> Employment and Social Affairs		25/11/2010
		PPE <a href="#">BALDASSARRE Raffaele</a>	
	<b>ITRE</b> Industry, Research and Energy		08/11/2010
		S&D <a href="#">DE ANGELIS Francesco</a>	
	<b>REGI</b> Regional Development		09/12/2010
		PPE <a href="#">AUCONIE Sophie</a>	
	<b>ECON</b> Economic and Monetary Affairs		14/12/2010
	PPE <a href="#">FEIO Diogo</a>		
<b>LIBE</b> Civil Liberties, Justice and Home Affairs		The committee decided not to give an opinion.	
<b>INTA</b> International Trade		17/01/2011	
	S&D <a href="#">ANDRÉS BAREA Josefa</a>		
<b>TRAN</b> Transport and Tourism		The committee decided not to	

give an opinion.

Council of the European Union	JURI	Legal Affairs		01/12/2010
			PPE <a href="#">BORYS Piotr</a>	
		Council configuration	Meeting	Date
		<a href="#">Competitiveness (Internal Market, Industry, Research and Space)</a>	<a href="#">3074</a>	09/03/2011
European Commission		<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">3062</a>	18/01/2011
		<a href="#">Competitiveness (Internal Market, Industry, Research and Space)</a>	<a href="#">3057</a>	10/12/2010
		Commission DG	Commissioner	
		<a href="#">Financial Stability, Financial Services and Capital Markets Union</a>	BARNIER Michel	

### Key events

27/10/2010	Non-legislative basic document published	<a href="#">COM(2010)0608</a>	Summary
25/11/2010	Committee referral announced in Parliament		
10/12/2010	Debate in Council	<a href="#">3057</a>	Summary
18/01/2011	Debate in Council	<a href="#">3062</a>	Summary
09/03/2011	Debate in Council	<a href="#">3074</a>	Summary
16/03/2011	Vote in committee		Summary
22/03/2011	Committee report tabled for plenary	<a href="#">A7-0071/2011</a>	
06/04/2011	Results of vote in Parliament		
06/04/2011	Debate in Parliament		
06/04/2011	Decision by Parliament	<a href="#">T7-0146/2011</a>	Summary
06/04/2011	End of procedure in Parliament		

### Technical information

Procedure reference	2010/2277(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 54
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	IMCO/7/04592

### Documentation gateway

Non-legislative basic document	<a href="#">COM(2010)0608</a>	27/10/2010	EC	Summary
Committee draft report	<a href="#">PE456.697</a>	13/01/2011	EP	
Amendments tabled in committee	<a href="#">PE458.640</a>	10/02/2011	EP	

Committee opinion	EMPL	<a href="#">PE454.662</a>	16/02/2011	EP	
Committee opinion	ECON	<a href="#">PE456.626</a>	16/02/2011	EP	
Committee opinion	ITRE	<a href="#">PE454.594</a>	01/03/2011	EP	
Committee opinion	JURI	<a href="#">PE456.689</a>	01/03/2011	EP	
Committee opinion	REGI	<a href="#">PE456.823</a>	02/03/2011	EP	
Committee opinion	INTA	<a href="#">PE456.807</a>	03/03/2011	EP	
Committee report tabled for plenary, single reading		<a href="#">A7-0071/2011</a>	23/03/2011	EP	
Text adopted by Parliament, single reading		<a href="#">T7-0146/2011</a>	06/04/2011	EP	Summary

## Single market for enterprises and growth

**PURPOSE:** to strengthen the single market by means of measures stimulating growth and enhanced citizens' rights (a Single Market Act).

**BACKGROUND:** the EU's single market is the keystone of more than 60 years of European integration. The combined effect of the integration of the single market, in particular the liberalisation of network industries, and enlargement has been to create 2.75 million additional jobs and growth of 1.85% in the period 1992-2009, according to Commission estimates.

Nevertheless, the single market can offer a lot more than growth and employment. Its potential has not been fully exploited. For example, cross-border procurement accounted for only around 1.5% of all public contracts awarded in 2009. The Commission estimates that completing, deepening and making full use of the single market would potentially produce growth of about 4% of GDP over the next ten years.

President Barroso asked Mario Monti to submit a report on the relaunch of the single market. This report proposes a new strategy to safeguard the single market from the risk of economic nationalism, to extend it into new areas key for Europe's growth and to build an adequate degree of consensus around it. The European Parliament, in its [resolution of 20 May 2010](#), stressed that single market integration is not an irreversible process, and the continued existence of the single market should not be taken for granted.

This observation is already a reason for more ambitious single market policies to promote a highly competitive social market policy for all stakeholders: business, consumers and workers. This is the very essence of this Single Market Act, which the Commission is now putting forward for public discussion. After this discussion, the Commission will invite the other Institutions to give their formal agreement to the final version of the Act.

This Act is presented in parallel with the 2010 report on European citizenship.

**CONTENT:** this communication proposes 50 measures with a view to completing, deepening and fully exploiting the single market.

1) Strong, sustainable and equitable growth for business: there are 20 million businesses in the EU, providing 175 million jobs and supplying the EU's 500 million consumers and many more worldwide with goods and services. A key factor in the competitiveness of these businesses is the single market. SMEs offer the highest potential for employment and are therefore worthy of special attention in the single market, as well as targeted measures to reflect their concerns. The priorities are as follows:

- Promoting and protecting creativity: to improve the way in which they face international competition, our businesses, inventors and creators must be able to develop within a single market that is as conducive as possible to innovation and creativity. The European Parliament and the Council should take the necessary steps to adopt the proposals for the EU patent, its languages and the unified patent litigation system. The aim is for the first EU patents to be issued in 2014. In 2011 the Commission will submit a proposal for a framework Directive on the management of copyrights as well as an action plan against counterfeiting and piracy, including both legislative and non-legislative measures.
- Promoting new approaches towards sustainable development: the Single Market Act should be used as a tool to launch initiatives to create a more effective system of standards, a more consistent approach to energy taxation throughout the market, continued development of the single markets for services and defence and development of the supply of high-quality environmental products. The 'mutual evaluation' process of the Services Directive will also be continued with the aim of further developing this sector, which is crucial to the European economy. In addition, as the Commission's 'Digital Agenda' has highlighted, it must be ensured that the potential for growth and the wide range of goods and services that the digital market can provide are fully exploited. Finally, what is true of the services Directive as a general legal instrument is also true of specific sectors, such as the transport services sector, which is the 'nervous system' of the single market.
- For small and medium-sized enterprises: the single market must in particular create a legal environment that is favourable to the creation and development of SMEs. In this respect, the matter of access to financing is crucial. The Commission will adopt an action plan for improving SME access to capital markets in 2011. This will include measures to make investors more aware of SMEs, to develop an efficient stock exchanges network or specific regulated markets focussing on SMEs and to make listing and disclosure requirements more adapted to SMEs.
- Funding innovation and long-term investment: access to funding is essential for innovation and sustainable growth. Equally, businesses should be able to develop long-term strategies. Finally, it should be possible to mobilise private savings where necessary in cooperation with public investments towards massive investment in the infrastructures that are central to the success of the Europe 2020 strategy.

- Creating a business-friendly legal and fiscal environment: the measures proposed in this sector envisage, inter alia, a reduction of the administrative and regulatory burden. Very practical initiatives will therefore be taken to ensure the linking of company registers and the mutual recognition of e-identification and e-authentication in the European Union. Taxation issues are also crucial. Initiatives relating to the corporate tax base or to VAT will be designed to limit the administrative burden on businesses and to promote cross-border activity. Defence and security are also deserving of attention.
- Being competitive in global markets: the EU is the greatest exporter of goods and services in the world and one of the major recipients of foreign direct investment. Greater convergence of international rules will certainly benefit EU countries, particularly by reducing the costs incurred by having to adapt to rules or standards which are different from those which apply in Europe. It is also very important to ensure that EU businesses have access to external markets, and in particular public procurement, on fair terms. The use of all appropriate means to combat unfair trading practices.

2) Europeans at the heart of the single market: a new objective is to use efficient markets to support the creativity and dynamism of EU businesses and, at the same time, to restore the faith of Europeans in their single market.

- Improving public services and key infrastructure: the EU and its Member States need to guarantee the existence of a regulatory framework that allows public services to perform their tasks and meet the needs of all citizens. The EU also needs to fulfil a new ambition in identifying and helping to quickly establish the infrastructure that is most essential to the fluidity of the single market and to the development of new services for Europeans. In particular, the Europe 2020 strategy provides for the development of infrastructures enabling high-speed internet access for all in 2013.
- Increasing solidarity in the single market: the concept of a 'highly competitive social market economy' requires us to adopt a more all-embracing view of the single market. Economic freedoms and freedoms of collective action must be reconciled. New life must be breathed into the social dialogue. The freedoms afforded by a single market must benefit both the strongest and the weakest, including those with disabilities and the elderly. Particular attention must be paid to the access of people with visual and hearing impairments to goods and services, especially in the cultural sphere.
- Access to employment and lifelong learning: specific tools must be proposed to promote and facilitate the flow of skills within the single market. In 2012, the Commission will propose a legislative initiative to reform the systems for the recognition of professional qualifications in order to facilitate the mobility of workers and adapt training to current labour market requirements. Mobility needs to become a normal part of each young European's training: the Commission is in the process of evaluating the possibility of creating European student loans for mobility.
- New resources for the social market economy: the Social Business Initiative must enable the reserves of talent and financial resources already available in the Member States to be tapped into by bringing together, within the single market, management and finance professionals and entrepreneurs with socially innovative projects which stimulate growth. The second proposal on legal forms sets out initiatives for improving the legal environment within which some market economy activities are organised. Lastly, the third proposal concerning corporate governance and corporate social responsibility sets out an initiative to redefine the role of businesses in today's economy.
- A single market serving consumers: in early 2011, the Commission will adopt a legislative initiative on access to certain basic banking services. It will also propose a Directive geared towards the creation of a single integrated mortgage market with a high level of consumer protection. It will adopt a Communication aimed at identifying and eliminating the tax obstacles still facing European citizens. Lastly, it will adopt a proposal amending the regulation on the rights of air passengers.

All interested parties are invited to submit their points of view to the Commission regarding this relaunch of the single market and, in particular, on the 50 measures proposed in this document by 28 February 2011 at the latest.

## Single market for enterprises and growth

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The Council adopted conclusions on the "Single Market Act" (SMA), a two-year plan (2011-2012) of 50 initiatives aimed at ensuring continuous optimisation of the internal market and contributing to the successful implementation of the EU 2020 objectives on stimulating employment and economic growth.

The conclusions endorse the general approach of the SMA, according to which the single market must rest upon a strong economic and social basis with a view to building a highly competitive economy.

In particular, the conclusions will address:

- business and citizens' concerns that prevent them from taking full benefit of the advantages of the single market;
- the use of tools to develop new sources of growth in both services and industrial sectors;
- European international competitiveness and;
- the design of a new collective strategy to ensure a successful relaunch of the internal market.

The conclusions also commit the Council to continue to examine the SMA with a view to defining the priority measures that should be in place before the end of 2012, in order to facilitate access to the single market, support businesses, encourage growth and help to create jobs.

## Single market for enterprises and growth

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The Council held an exchange of views on the further development of the EU's single market, in the light of a communication from the Commission, entitled "Towards a single market act for a highly competitive social market economy".

It agreed to re-examine the issue in due course.

## Single market for enterprises and growth

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The Council held a debate on the Single Market Act (SMA), a two year plan (2011-2012) of 50 initiatives aimed at ensuring continuous optimisation of the internal market and contributing to the successful implementation of the [Europe 2020](#) objectives on stimulating employment and economic growth.

The debate was preceded by a Commission presentation on the main findings of a public consultation conducted by the Commission which was completed in February 2011. In particular, delegations expressed views on the criteria to be used for choosing the area for a priority commitment by the institutions and Member States and how to define the priority actions for achieving the goals of the Europe 2020 strategy in the most effective way.

In the light of the debate, the forthcoming opinion of the European Parliament and the findings of the public consultation, the Commission is expected shortly to present a selection of initiatives that will better contribute to overcoming the economic crisis and to promoting growth and employment.

On 10 December 2010, the Council adopted conclusions on the SMA, committing Member States to define the priority measures that should be in place before the end of 2012 in order to facilitate access to the single market, support businesses, encourage growth and help to create jobs.

The conclusions also endorsed the general approach of the SMA, submitted by the Commission in October 2010, according to which the single market must rest upon a strong economic and social basis with a view to building a highly competitive economy.

## Single market for enterprises and growth

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The Committee on the Internal Market and Consumer Protection adopted the own-initiative report drafted by Cristian Silviu BU?OI (ADLE, RO) on a Single Market for Enterprises and Growth, in response to the Commission Communication entitled 'Towards a Single Market Act for a highly competitive social market economy. 50 proposals for improving our work, business and exchanges with one another?.'

Members welcome the Communication 'Towards a Single Market Act?' and emphasise, in particular, the Commission's commitment, in this Communication, to promoting new approaches towards sustainable development.

In view of the economic and financial crisis, the committee emphasises the importance of the Single Market for the competitiveness of EU enterprises and for the growth and stability of European economies. It calls on the Commission to submit an ambitious package of measures supported by a clear and coherent strategy to promote the competitiveness of the internal market.

The report focuses on the following key priorities:

**Creating an EU Patent and a unified litigation system:** the report stresses that the creation of the EU Patent and of a unified litigation system, as well as an improved system for the management of copyright, is indispensable for supporting innovation and creativity within the Single Market.

**Financing innovation:** the report calls on the Commission and the Member States to take due account of the importance of innovation for strong and more sustainable growth and job creation by ensuring that innovation is properly financed, in particular through:

- the creation of EU project bonds, especially in the areas of energy, transport and telecommunications, supporting the ecological transformation of our economies;
- a legislative framework to encourage venture capital funds to invest effectively throughout the EU. Incentives should be provided for long-term investment in innovative and job-creating sectors.

**Stimulating e-commerce:** Members urge the Commission to take all the necessary steps to enhance the confidence of businesses and consumers in e-commerce and stimulate its development in the Single Market. They stress that an EU Action Plan against counterfeiting and piracy as well as a framework directive on the management of copyrights are crucial to reach this objective. The report stresses the imperative need to adapt EU Information and Communication Technology (ICT) standardisation policy to market and policy developments which will lead to achieving European policy goals requiring interoperability.

**Improving SMEs participation in the Single Market:** Members highlight that further action is needed to make the Single Market a better environment for SMEs. They consider that such action should include improving their access to capital markets, removing administrative and fiscal barriers to their cross-border activities by adopting a clearer VAT framework and a common consolidated corporate tax base, as well as the revision of the public procurement framework, to make procedures more flexible and less bureaucratic.

**Rationalising public procurement procedures:** the Commission is asked to review the legislation relating to public procurement and public and private partnership with a view to fostering smart, sustainable and inclusive growth within the Single Market and to stimulating cross-border public procurement. The report stresses the need for a clearer framework, providing legal certainty for both economic operators and contracting authorities. It strongly encourages Member States to use pre-commercial public procurement in order to stimulate the market for innovative and green technologies. It insists on the need to ensure reciprocity with industrialised countries and major emerging economies in the field of public procurement.

**A Single Market for services:** Members stress the need for full and proper implementation of the Services Directive, including the setting up of fully operational Points of Single Contact allowing for online completion of procedures and formalities, which can considerably reduce operational costs for enterprises and boost the Single Market for services. They call on the Commission to encourage the development of the business services sector and to take the necessary regulatory measures in order to protect businesses, especially SMEs, from unfair commercial practices by larger enterprises in the supply chain.

## Single market for enterprises and growth

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The European Parliament adopted by 570 votes to 44, with 28 abstentions, a resolution on a Single Market for Enterprises and Growth, in response to the Commission Communication entitled 'Towards a Single Market Act for a highly competitive social market economy'. 50 proposals for improving our work, business and exchanges with one another?.

Members welcome the Communication 'Towards a Single Market Act?' and emphasise, in particular, the Commission's commitment, in this Communication, to promoting new approaches towards sustainable development.

In view of the economic and financial crisis, Parliament emphasises the importance of the Single Market for the competitiveness of EU enterprises and for the growth and stability of European economies. It calls on the Commission to submit an ambitious package of measures supported by a clear and coherent strategy to promote the competitiveness of the internal market.

It urges the Commission to conduct a financial audit of the EU's budget priorities for the next financial framework and to prioritise European added value projects able to enhance EU competitiveness and integration in the areas of research, knowledge and innovation.

The resolution focuses on the following key priorities:

Creating an EU Patent and a unified litigation system: the resolution stresses that the creation of the EU Patent and of a unified litigation system, as well as an improved system for the management of copyright, is indispensable for supporting innovation and creativity within the Single Market.

Financing innovation: Parliament calls on the Commission and the Member States to take due account of the importance of innovation for strong and more sustainable growth and job creation by ensuring that innovation is properly financed, in particular through:

- the creation of EU project bonds, especially in the areas of energy, transport and telecommunications, supporting the ecological transformation of our economies;
- a legislative framework to encourage venture capital funds to invest effectively throughout the EU. Incentives should be provided for long-term investment in innovative and job-creating sectors.

Fully operational internal energy market: Parliament points out the importance of a fully operational internal market for energy in order to achieve increased autonomy in energy supply. It considers that this could be achieved through a regional clustering approach, as well as through the diversification of energy routes and sources. It also stresses that the internal energy market should contribute to maintaining energy prices affordable for both consumers and businesses. It believes that, in order to achieve the EU's climate and energy objectives, a new approach is necessary in terms of applying adequate minimum duty rates on CO<sub>2</sub> emissions and on energy content. Parliament supports the initiative on the environmental footprint of products, and urges the Commission to quickly propose the establishment of a real common assessment and labelling system.

Stimulating e-commerce: Parliament urges the Commission to take all the necessary steps to enhance the confidence of businesses and consumers in e-commerce and stimulate its development in the Single Market. It stresses that an EU Action Plan against counterfeiting and piracy as well as a framework directive on the management of copyrights are crucial to reach this objective. The resolution stresses the imperative need to adapt EU Information and Communication Technology (ICT) standardisation policy to market and policy developments which will lead to achieving European policy goals requiring interoperability.

Improving SMEs participation in the Single Market: Members highlight that further action is needed to make the Single Market a better environment for SMEs. They consider that such action should include improving their access to capital markets, removing administrative and fiscal barriers to their cross-border activities by adopting a clearer VAT framework and a common consolidated corporate tax base, as well as the revision of the public procurement framework, to make procedures more flexible and less bureaucratic.

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