

## Internal market scoreboard

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**PURPOSE:** to present the 16<sup>th</sup> scoreboard on the internal market (covering second half of 2006).

**CONTENT:** to recall, the Internal Market is a joint effort between the EU and the Member States. The 'Internal Market Scoreboard' records, twice a year, whether the Member States are translating the Internal Market rules into national law. The second edition of the 2006 Scoreboard finds that the gap between the number of Internal Market laws adopted at EU level and those in force in the Member States, the so-called 'transposition deficit' has risen to 1.6% - a sign that the Member States are relaxing their efforts in spite of having posted their best ever result of 1.2% six months previously.

**Transposition:**

Following one of the best results ever recorded of 1.2% the average transposition deficit has increased by 0.4% of the past half year and now stands at 1.6%. The 1.5% target set by the European Council in 2001 has thus been narrowly missed. If Romania and Bulgaria were to be included the average transposition deficit would amount to 1.8%. The trend outlined above can partially be explained by a surge in the number of Directives that have had to be transposed over the past six months. Future work should be less cumbersome given that 29 Directives are awaiting transposition. The Commission reports serious concerns regarding Portugal. Also singled out is the Czech Republic for posting a transposition deficit of 2.3%. Six internal market Directives that should have been transposed two or more years ago have still not been transposed into Czech legislation. Luxembourg, Italy and Greece also seem unlikely to reach the 1.5% target by December 2007.

**Infringements:**

Although many Member States have succeeded in transposing EU legislation into national legislation they appear to pay much less attention to applying those Directives correctly. For example, the number of infringement proceedings for incorrect transposition or incorrect application of Directives or violation of Treaty rules has increased year after year and continues to rise. In the few instances where Member States have managed to reduce the number of infringement cases, those efforts, although welcome, are marginal since the Member States in question continue to have significant numbers of infringement proceedings (with the possible exception of the Netherlands).

Member States which fall into the above group include Italy, Portugal and Greece, Spain and Poland. Even some of the Member States that have recently focused successfully on transposing Internal Market directives on time such as France, Germany and Belgium continue to accumulate a large number of infringement proceedings. The worst affected sectors include: the Environment; Taxation and Customs Union; Energy and Transport.

**Complementary problem solving:**

Package meetings continue to be an efficient means of resolving infringement cases at an early stage. Sixteen such meetings took place between July 2005 and July 2006. In more than 50% of cases, progress was made: within the 6 months following package meetings 43% of infringement proceedings were solved and a decisive step forward was taken in a further 10% of cases.

In addition, 8 transposition meetings, to assist Member States with the transposition of Directives, were also held. SOLVIT, the problem solving network for complaints about the incorrect application of EU rules by public authorities, which is now in its fifth year of operation, saw a sharp increase in the number of cases submitted to it in the first half of 2007. The number of cases rose from between 200 and 250 per semester to more than 350 in the first semester of 2007. Chronic understaffing of SOLVIT Centres, however, continues to pose problems.