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

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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.