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

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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.