Delivering a single market to consumers and citizens

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The Council adopted the following **conclusions on the EU single market – Directive on Services**: since its launch in the mid-1980s, the Single Market Programme has contributed to the promotion of competition within the EU and has resulted in remarkable benefits in terms of price developments, growth and jobs. However, the Council considers that its potential has not been fully exploited and that the further deepening of the Single Market should be one key element of the EU's forward looking strategy.

It welcomes President Barroso's commitment to updating the single market and looks forward to the evidence-based package for tomorrow's single market, including proposals for specific actions.

Significant internal and external challenges remain. This will require a commitment to a broad set of single market reforms. Most immediately, the Council stresses the importance of the internal market for services as a key element for ensuring competitive pricing, enhancing competitiveness more generally, and increasing potential growth and employment. It acknowledges that the **incomplete transposition of Community directives** is one reason why the integration process is still far from complete. It calls for a comprehensive and ambitious implementation of the Services Directive, and urges those Member States that have not met the transposition deadline to do their utmost to finalise it as soon as possible.

The Council welcomes the **evaluation of the Services Directive** as well as an economic assessment of the progress it has brought for the Internal Market. It highlights the **potential of the mutual evaluation exercise launched in January 2010** to unleash the growth potential of the services sector. An effective and transparent mutual evaluation, under the supervision of the Council, will contribute to increasing competition by helping to remove regulatory inefficiencies, identify best regulatory practices and appropriate new initiatives to deepen the internal market. The Council calls for the engagement and active participation of the Member States and the Commission.

In line with the 2007 Single Market Review, which emphasised the need for a better understanding of the functioning of markets based on **an evidence-based approach** the Council also reiterates its support for the market monitoring and smart regulation initiatives to deepen the Single Market in the EU2020 Strategy with a modern evidence-based tool kit. The Better Regulation initiative has contributed to improving the functioning of the single market, by developing impact assessments of policy proposals, and further extending the simplification and reduction of administrative burdens. These economic tools for better inform regulatory or non-regulatory initiatives in the future could be further explored.

The Council also reiterates the importance of market monitoring and the benefits of collaboration between the Commission and Member States building on the renewed screening methodology and setting up a transparent process for selecting sectors for further in-depth investigations. To this end, the Council takes note of the Communication by the Commission on "A better functioning food supply chain in Europe", which illustrates how practical recommendations that emanate from evidence-based tools such as market monitoring, can best support EU and national decision-making process in delivering necessary sectoral reforms, while avoiding new bureaucratic costs for Member States and Commission.

The Council encourages the Commission to:

- conclude outstanding studies, launch further in-depth market monitoring studies in sectors showing signs of market malfunctioning, and gather further experience in the implementation of market monitoring in close cooperation with Member States and the EPC;

- report on market monitoring by the end of 2010, in particular, as regards progress on studies and their contribution to the wider Single Market agenda.

Lastly, it also recognises the importance of the EU State Aid framework as an important tool in avoiding distortions and enhancing competition within the internal market, helping deliver better outcomes for citizens through increased jobs, growth, and consumer benefits. In this context, the Council takes note of the fact that the Temporary Framework for the Real Economy is scheduled to expire by the end 2010, and welcomes the Commission's continuing efforts to implement State aid rules so that they are conducive to making the internal market work better. The Council also acknowledges the importance of achieving a timely withdrawal of temporary support measures."