Single market strategy

2015/2354(INI) - 26/05/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 423 votes to 92, with 54 abstentions, a resolution on the single market strategy.

Members stressed that the deepening of the European internal market remains a **key economic issue**, especially in the context of the development of new technologies, where a market with critical mass is needed to promote the emergence of innovative and competitive players on the global scene.

Recalling that the single market has undergone many positive developments in recent years, Parliament considered that it **could achieve more in almost all areas** stating that the anticipated gain from completing the single market stands at a trillion euros.

However, **fragmentation of the single market** is one of the major impediments to higher structural economic growth. Moreover, Members recalled that the single market is characterised by **persistently high unemployment rates**. Since the financial crisis the number of unemployed has increased by over six million; whereas by the end of 2015 there were more than 22 million people in the Union without work.

Policy objectives: in this regard, Parliament called for a **genuinely strategic approach for the further integration of the single market**. It underlined the urgent need to eliminate the unjustified barriers from the single market in order to achieve tangible and quick results in terms of competitiveness, sustainable growth, research, innovation, job creation, consumer choice and new business models. In order to achieve these goals, the EU should strive towards more harmonisation of legislation.

A modern and more innovative single market: Members stated that the **lowering of administrative burdens and compliance costs** on businesses, especially SMEs, and repealing unnecessary legislation, while continuing to ensure high standards of consumer, employee, health and environmental protection is key to delivering the objectives of the strategy. The Commission is called upon to propose a set of possible objective criteria and indicators for a definition of ‘innovative’ start-ups, SMEs and social economy enterprises that can be used as a point of reference for the adoption of related measures.

Parliament welcomed the Commission’s determination to address the lack of tax coordination within the EU, in particular the difficulties faced by SMEs as a result of the complexity of differing national VAT regulations.

Members supported the VAT reform and encouraged the Commission to:

- consider how the new rules concerning place of supply for **VAT on digital services** can be amended so as to accommodate the specific needs of small and micro-businesses;
- assess the feasibility of further coordination and, in particular, to assess the possibility of a **simplified VAT approach** (for the same category of goods) in the ecommerce sector;
- focus on working towards a **country-by-country reporting obligation** for transnational corporations to ensure tax fairness in the European Union and combat aggressive tax planning and tax avoidance practices;
- seek ways to facilitate **SMEs' access to instruments** such as the European Fund for Strategic Investment (EFSI) and to programmes such as Horizon 2020, COSME and the European structural and investment funds, improving the visibility of European funding;
- facilitate the application and enforcement of the Late Payment Directive;
- place further emphasise enough the specific role of traditional manufacturing by Crafts and SMEs;
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- coordinate the efforts of Member States in finding short- or long-term legislative solutions vis-à-vis the **sharing economy**;
- report to Parliament by the end of 2016 on its implementation of the Joint Initiative on European **standardisation**;
- present without delay a legislative proposal for the establishment of a **single European system for the protection of geographical indications** for non-agricultural products in the EU.

Member also underlined the need for a **fully electronic public procurement system**.

They also called for measures to facilitate access to the patent system in Europe for all micro-enterprises and SMEs and start-ups that wish to use the **European patent with unitary effect** in innovating their products and processes.

Parliament welcomed the establishment of a platform for combating undeclared work and encouraged Member States and social partners to use it. It stressed that in order to harness the opportunity arising from the digitalisation of jobs, there is a need to create secure flexible working time arrangements, stable working conditions, social protection and to facilitate 'smart working' to improve productivity and work-life balance. The importance of rolling out digital infrastructure in rural areas is stressed in order to take advantage of the wide range of opportunities such as **teleworking**.

Member States are encouraged to invest in digital education and skills: between 40 %- 47 % of the population in the EU is insufficiently digitally skilled and that the demand for digitally skilled employees is growing by 4 % per year.

A deeper single market: Parliament called on the Commission to deepen its work on enforcements given that many measures have already been adopted but are not yet properly enforced, thus undermining the level playing field in the single market. Further efforts are called for to identify possible **infringements** of EU law by Member States at a very early stage and to take a firm stance against any legislative measures, adopted or pending in national parliaments, that could increase the fragmentation of the single market.

Counterfeiting: Members stressed the importance of providing relevant information on retail products, in particular the indication of country of origin, which is crucial to protecting consumers and strengthening the fight against counterfeiting. The Commission and the Member States are called for to tighten up the penalties for counterfeiting and to make sure that EU legislation in this area is fully enforced.

Consumer protection: Parliament stressed that regulatory differences between Member States regarding differing labelling or quality requirements create unnecessary obstacles to the activities of suppliers of goods and to consumer protection. The Commission is called upon to assess which labels are essential and which are not essential for ensuring consumer information.

Member States are also urged to ensure proper and more effective application of the Services Directive, while avoiding the practice of gold-plating.

Cross-border provision of services: agreeing with the Commission that many of the Member States' regulations on access to, and exercise of, regulated professions are disproportionate to requirements and create barriers restricting access to those professions, Members considered that cross-border provision of services on a temporary basis, including professional services, should be considered a key element for the internal market as they create jobs and provide high-quality products and services to EU citizens. In this regard, they welcomed the renewed focus, under the recent Single Market strategy, on **regulated and liberal professions in Europe**, which represent an important factor for growth and employment in the single market.

The Commission is called upon to:

- come up with a comprehensive action plan for **parcel delivery** and to define the goals to be achieved in this market by the end of 2020;
- dismantle the barriers operators encounter in cross-border delivery;
- work with the Member States to simplify and speed up procedures for the **recognition of professional qualifications**;
- press ahead with a legislative proposal to **address unjustified geo-blocking** and other unjustified forms of discrimination by market operators;
- mainstream the **social economy** within its single market policies and to develop a European Action Plan for social economy enterprises in order to unlock the full potential for sustainable and inclusive growth.