

Annual report on the single market governance within the European semester 2017

2016/2248(INI) - 15/02/2017 - Text adopted by Parliament, single reading

The European Parliament adopted by 568 votes to 122 with 1 abstention, a resolution on the Annual Report on the Single Market Governance within the European Semester.

The European Semester aims to increase the coordination of economic and fiscal policies across the EU in order to enhance stability, promote growth and employment and strengthen competitiveness.

For the European Semester to successfully foster economic growth and stabilise economies, it must encompass the single market, which is one of the cornerstones of the EU and one of its major achievements.

Strengthening the single market pillar of the European Semester: Members noted that the single market remains fragmented and insufficiently implemented and its potential for growth, innovation and jobs remains mostly unexploited. They called on the Commission to ensure **the completion of all dimensions of the single market**, including goods, services, capital, labour, energy, transport, and in the digital sector.

Parliament reiterated its call for the creation of a **strong single market pillar** with a social dimension within the European Semester, with a system of regular monitoring and identification of the country-specific barriers to the single market. The pillar would allow a **regular evaluation of the governance of the single market** through systematic checks of national legislation. Members invited the Commission to **report to Parliament** on the progress made by Member States in the implementation of the country-specific recommendations (CSRs), related to the functioning of the single market. They believed that the ownership of the CSRs by national parliaments needs to be strengthened.

Tapping the potential of the single market in key growth areas: Parliament stressed that, despite the abolition of tariff barriers in the single market, a **vast number of various unnecessary non-tariff barriers (NTBs) still exist**. Strengthening the single market requires urgent action at both EU and national level in order to address those unnecessary NTBs, in a way that is compatible with the promotion of social, consumer and environmental standards. Moreover, **barriers related to the free provision of services** are of particular concern as they hamper, above all, the cross-border activity of small and medium-sized enterprises, which are a driving force of development of the EU economy.

The Commission is called upon to:

- ensure the best possible conditions for the **collaborative economy** to develop and thrive;
- promptly present the concrete proposals linked to the enforcement of single market rules (e.g. the creation of a simple, modern and fraud-proof VAT system);
- ensure that the EU public procurement rules are implemented in a timely manner;
- act strongly against protectionism by Member States;
- promote the Digital Single Market;
- present a proposal for a revision of the Mutual Recognition Regulation which should ensure that companies have an effective right to free circulation within the EU of products that are lawfully marketed in a Member State;

- press forward with its vision for a single and coherent **European Standardisation System** that adapts to the changing environment, supports multiple policies and brings benefits to consumers and businesses.

Strengthening the governance of the single market: Parliament called on the Commission to improve governance of the single market by developing **a set of analytical tools** including social indicators to more properly measure its performance within the framework of the single market pillar of the European Semester. It called for the framework for single market governance to be enforced and for the monitoring and assessment of the **application of single market rules** to be strengthened.

The Commission is called upon to:

- precede each legislative initiative with a thorough **impact assessment** which takes into account the consequences of the act for the business environment in all Member States;
- rigorously pursue its actions in the area of smart enforcement and a culture of compliance;
- strengthen the **market surveillance mechanism** to detect unsafe and non-compliant products and to remove them from the single market;

Lastly, Parliament stressed the importance of the Commission's help and cooperation with Member States in the field of **better transposition, implementation and application** of single market legislation. It also stressed, in this context, the need for further actions at national level, including with a view to reducing administrative burdens and avoiding adding additional requirements when transposing directives into national law (“gold-plating”).