Strengthening the Single Market: the future of free movement of services

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The Committee on the Internal Market and Consumer Protection adopted the own-initiative report by Morten LØKKEGAARD (Renew Europe, DK) on strengthening the single market: the future of free movement of services.

The services sector accounts for around 70% of the EU's GDP and a similar proportion of its employment. A better functioning internal market for services is therefore a crucial necessity for a more competitive and innovative European economy.

Directly addressing national barriers within the single market

Members underlined that promoting the single market, including the free, fair and safe movement of services and people, consumer protection and the strict enforcement of EU law, is paramount for tackling the economic crisis caused by COVID-19. They urged all Member States to ease unjustified and disproportionate barriers preventing the free movement of services within the single market as soon as possible.

They regretted that the recovery plan proposed by the Commission does not provide for any specific financing related to the movement of services by recognising its importance as a tool for economic recovery.

Ensuring adequate enforcement of existing legislation

Businesses and consumers, who experience barriers and frustrations when they attempt to trade in services across the EU, often stress that their problems do not stem from a lack of legislation. Rather, they point to a serious lack of implementation and enforcement of existing rules. Therefore, Members encouraged the Commission to use all means at its disposal to fully enforce existing rules and to promptly decide on complaints to ensure that relevant issues from an end-user perspective are effectively handled. They called for the assessment of alternative resolution mechanisms and infringement procedures to be applied stringently and without undue delay whenever breaches of the relevant legislation which contravene the proper functioning of the internal market are identified.

Members welcomed the Commission's new-long term action plan for better implementation and enforcement of single market rules so as to maximise the potential of the single market for services.

Advancing regulatory clarity by introducing national information portals

The report noted that the COVID-19 pandemic has highlighted a lack of regulatory clarity and a lack of effective communication between Member States on rapidly changing regulations. It stressed the key importance of the single digital gateway and the points of single contact as an online access point for EU and national information, procedures and assistance services on the single market. The committee recommended Member States implement the single digital gateway in a consumer and SME-friendly way and transform their points of single contact from mere regulatory portals into fully functioning portals.

Providing additional evaluation tools through single market scoreboards and restrictiveness indicators

Evaluating the performance of Member States with regards to both implementation and provision of information is essential to improving the Single Market for services. It allows Member States to learn from each other through best practice and it applies much needed pressure for improved functioning of the existing (and upcoming) European legislation.

The committee supports the use of the Single Market Scoreboard and the Commission's commitment to update it with new indicators. There is scope to use the Scoreboard even more actively by e.g. utilising both quantitative and qualitative indicators and by ranking Member States according to their services trade openness. This would enable consumers and businesses to see how much progress is being made and in which areas, as well as allow the Commission to prioritise enforcement action in areas that are particularly lacking.