Tackling non-tariff and non-tax barriers in the Single Market

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The Committee on the Internal Market and Consumer Protection adopted an own-initiative report by Kosma ZOTOWSKI (ECR, PL) on tackling non-tariff and non-tax barriers in the single market.

Despite the many achievements in this area and the common view that free trade and freedom to provide services have a positive impact on the European economy, there are still many nontariff barriers that hamper the potential of European businesses, particularly small and medium-sized enterprises, operating in a cross-border environment.

Most of the Commission's initiatives to remove the most burdensome non-tariff barriers are either ineffective or encounter strong resistance in the legislative process. Members believe that an **efficient single market**, free of unnecessary barriers, is the best guarantee for a rapid recovery of the European economy after the coronavirus crisis.

The state of the single market and its policy objectives

The report pointed out that many of the obstacles to the single market stem from incorrect or incomplete implementation of EU legislation, lack of proper transposition of EU law into national legal frameworks, lack of appropriate measures in EU law to remove existing barriers, impeded access to necessary information or unilateral policy measures taken by Member States.

Moreover, regulatory intervention at EU level, where not necessary, is also likely to undermine the single market, by raising barriers in the form of high compliance costs or legal uncertainty for consumers.

Recalling that the single market remains one of the European Union's greatest achievements, Members called on the Commission to **aim resources towards single market issues**, in particular unjustified non-tariff barriers that create unnecessary obstacles to the free movement of goods and services. The resources of the single market programme should be used to strengthen the governance of the single market and to improve its functioning.

For their part, Member States are invited to:

- respect the integrity of the single market by improving the exchange of information on and coordination of the implementation of EU law, facilitated by the Commission;

- refrain, as far as possible, from introducing divergent national rules and seek solutions at European level;

- apply the Better Regulation guidelines for the introduction of national rules;

- provide impact assessments and support stakeholders to provide adequate input into the decision-making process;

- apply all rules in a justified and non-discriminatory manner and act in a proportionate manner and in strict compliance with legitimate public policy objectives such as public health, the environment, public services and the general interest.

Obstacles to the free movement of goods and services

Listing the main unjustified barriers to cross-border activities, the report stressed that the most effective way to reduce the fragmentation of the single market is to seek **greater harmonisation** where possible without increasing the regulatory burden on businesses.

Members deplored the fact that some of the restrictions identified under the **services directive** stem from the legal uncertainty that its scope has created since its entry into force, particularly as regards SMEs in the tourism sector. They called for further efforts to **remove barriers to retail trade** and for prompt action where new barriers are identified. Member States are invited to fulfil their notification obligations under the Services Directive, to extend **mutual recognition** to all possible levels of education and training, and to improve the procedures necessary to do so as soon as possible.

Digitisation and the use of AI to remove barriers to the single market

Members believe that digitisation and artificial intelligence (AI) can help achieve the EU's objectives and deepen the internal market. The Commission is asked to assess the possibility of allowing the use of digital solutions which can help to provide mandatory product or packaging information without the need to increase packaging size or to repackage.

The report called on the Commission to promote the use of digital tools and asked Member States to fully engage in the **digitalisation of public services**. It insisted on the development and use of interoperable and open-source tools in eGovernment with a view to fostering the development of internationally compatible eGovernment procedures. Members called on Member States to dedicate sufficient resources to swiftly implementing the **Single Digital Gateway** in an SME-friendly way.

Substantial improvements could also be made to the operations of the **SOLVIT** network to ensure that it has adequate resources to operate. In addition, the report stressed the need for an approachable and accessible **contact point** for European citizens, businesses and their representatives to raise measures taken by Member States which hinder the EU single market.

Enforcement and compliance

Members welcomed the **Single Market Enforcement Task Force** (SMET) which aims to prioritise the most pressing barriers, address gold-plating and discuss horizontal enforcement issues. However, they believe that SMET should be more transparent and that it should not only identify problems but also propose possible solutions.

The Commission is invited to: (i) present the concrete outcomes of the SMET's work by the end of 2022 to the competent committee of the Parliament; (ii) report regularly, at least every three years, on non-tariff barriers, (iii) further develop the existing **Single Market Scoreboard** and list infringement procedures and national regulations suspected of contravening EU law; (iv) rigorously assess whether national rules hinder the internal market and, if so, whether they are necessary, non-discriminatory, proportionate and justified.