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

2021/2043(INI) - 17/02/2022 - Text adopted by Parliament, single reading

The European Parliament adopted by 530 votes to 297, with 33 abstentions, a resolution 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. 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

Parliament considers that there are still **gaps in European legislation and enforcement** that hamper the proper functioning of the single market. In particular, initiatives to improve the single market in services are lacking. The Commission is encouraged to give priority to appropriate enforcement measures, as both businesses and consumers suffer from incorrect or incomplete implementation.

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.

Stronger monitoring also by the Member States, regulatory prudence, the simplification of how the current EU regulatory framework is applied and an increased political emphasis on the single market are likely to be needed in order to effectively remove such barriers and further deepen single market integration.

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 resolution 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 and to remove undue restrictions on professional qualifications.

Members also recalled that **public policy, public health or public security** can be invoked by a Member State only where it can prove the existence of a genuine, sufficiently serious threat affecting one of the fundamental interests of society. They therefore found unacceptable, any form of state sponsored discrimination, for example against people with disabilities or based on economic position, nationality, age, racial or ethnic origin, religion or belief, profession, sex or sexual orientation.

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

Parliament stressed the importance of a fully functioning digital single market that benefits consumers and enterprises and asks for SMEs to be supported in order to face the obstacles and struggles in their digital transformation. Digitisation and artificial intelligence (AI) can help achieve the EU's objectives and deepen the internal market.

The resolution 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 resolution 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 report regularly, at least every three years, on non-tariff barriers, to develop in a transparent way the existing Single Market Scoreboard and to list infringement procedures and national regulations suspected of contravening EU law.

Lastly, the Commission and the Member States are invited to draw conclusions from the COVID-19 crisis and to develop an emergency response plan, which should aim at ensuring a common response and preserving as much as possible the free movement of services, goods and persons, including cross-border workers.