Internal market: 3rd 2002 review.

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The Coucnil welcomes the Commission report on the state of the Internal market for Services, which completes the first stage of the Internal Market Strategy for Services and which provides an excellent basis for the second stage of the Strategy. It also welcomes the inclusion of the Commission's report of a comprehensive inventory of legal barriers throughout the various stages of a service provider's activity, including administrative burdens at national, regional and local levels affecting establishment, barriers to the cross-border posting of workers, restrictions on the use of commercial communications and marketing strategies, authorisation and registration requirements for cross-border services, the duplication of requirements already fulfilled in the Member State of establishment, and many others. In addition, it recognises that better integration and interconnection of network industries will improve crossborder services and emphasises the importance of ensuring that initiatives in all policy areas which affect crossborder services are coherent with the aims of the Cardiff economic reform process and contribute to the overall goal set by the Lisbon European Council; in this context, encourages Member States and the Commission to maximise the synergy between the Internal Market Strategy for Services and the ongoing GATS 2000 negotiations in WTO. The Commission is urged to accelerate the work on the second stage of the Internal Market Strategy for Services, and in this respect welcomes the Commission's intention to consult closely with the European Parliament, the Member States and other interested parties; in particular, calls on : - the Commission to develop further its economic analysis, with an emphasis on the potential for economic growth, job creation and benefits for consumers, in order to assess more accurately the benefits of a fully functioning Internal Market in services; - the Commission and Member States to improve the coverage and quality of statistics on services, in particular with a view to assessing more accurately the contribution of services to manufacturing industries and their competitiveness as well as to pay particular attention to improving the flow and the quality of information to assist SMEs and consumers who want to offer or use cross-border services, without creating further administrative burdens for companies; - the Commission to develop a system for monitoring progress towards the elimination of barriers to the creation of a fully functioning Internal Market in services and to integrate this into the Internal Market Scoreboard; - Member States and the Commission to encourage service providers to improve their coordination and representation at national and EU level; - Member States to ensure that they comply fully and rapidly with judgements of the European Court of Justice concerning the free movement of services and freedom of establishment and to ensure appropriate monitoring, while CALLING ON the Commission to continue to be active and rigorous in ensuring full compliance with Community law across the EU; - the Commission, in those cases where barriers cannot be removed by non-legislative means or by application of the principle ofmutual recognition, to propose, where appropriate, harmonisation of the relevant legislation, if possible by means of a single legislative instrument; - the Commission, and where appropriate the Council, to complement measures to remove barriers to cross-border trade in services with other measures, aimed at improving the competitiveness of services and their contribution to the performance of enterprises in all economic sectors; - the Commission and the Member States are called upon to complete the above actions as soon as possible and by 31 December 2003.