

Services in the internal market. Services Directive

2004/0001(COD) - 13/03/2006

The Council took note of an oral progress report by the presidency following the informal debate of the competitiveness ministers on 12 March on the outcome of the vote in the European Parliament on the draft directive on services in the internal market.

To recall, on 16 February, the European Parliament voted at first reading on the draft directive on services and agreed on significant amendments to the original proposal. The outcome of the vote can be summarised as follows:

- the country-of-origin principle is replaced by the freedom-to-provide-services rule. It requires the member states to respect the right of the service provider to supply services and to guarantee the provider "free access to and free exercise of a service activity within its territory";
- Member States will continue to apply their own rules on conditions of employment, including those laid down through collective bargaining agreements;
- services of general economic interest, as defined by each country, such as postal services, water supply, electricity and waste treatment are included in the draft directive. Nevertheless, these services are not subject to the freedom-to-provide-services rule;
- services of general interest are excluded from the scope of the future directive. Other sectors excluded are: healthcare, social services, financial services, electronic communication services and networks, transport; audiovisual services; gambling, taxation activities linked to the exercise of public authority (as notaries), legal services, temporary employment agencies and security services.

The Commission is expected to submit a revised proposal in April. Following this, the Council will resume its deliberations with a view to reaching an agreement on a Council common position. The common position will then be forwarded to the European Parliament for a second reading, in accordance with the codecision procedure.