



**COUNCIL OF
THE EUROPEAN UNION**



Conclusions on the Single Market Act

***3057th COMPETITIVENESS (Internal Market, Industry, Research and Space) Council meeting
Brussels, 10 December 2010***

The Council adopted the following conclusions:

"THE COUNCIL (Competitiveness),

RECALLING:

- the Conclusions of the European Council of 17 June 2010 on a new Europe 2020 strategy for growth and jobs, including the request for the creation of a fully functioning digital single market;
- the Conclusions of the European Council of 16 September 2010, notably on the coordination of the Union's internal and its external policies;
- the Conclusions of 4 December 2009 on "Priorities for the Internal Market in the next decade";
- the European Parliament Resolution "Delivering a single market to consumers and citizens" of 20 May 2010;
- the report "A new strategy for the single market" of 9 May 2010 by Professor Mario Monti;
- the strong synergies between relevant EU 2020 flagships initiatives¹, as well as other EU policies such as social and employment, environment, consumer protection policies, cohesion, transport, telecom, and energy policies and the Small Business Act;

NOTING that in 2012 the Single Market will be celebrating its 20th anniversary;

BEARING IN MIND the need to respect for the principles of subsidiarity and proportionality;

INTRODUCTION

1. STRESSES that the single market is one of the greatest achievements of the EU. It has indeed helped to increase growth by 1,85% and to create 2.75 million additional jobs in the period 1992-2009 and has proved its capacity to support the competitiveness of EU enterprises, including SMEs, while, at the same time, offering its citizens significant advantages;

¹ Notably "Innovation Union", "Industrial Policy for the Globalisation Era", "A Digital Agenda for Europe" Agenda for new skills and jobs" and "Resource-efficient Europe"

P R E S S

2. NOTES that the single market remains the cornerstone of the EU project which needs to be continuously adapted and much more developed in order to realize similarly big gains in the future. Indeed the single market remains fragmented in various areas, which constitutes a strong constraint for enterprises, in particular for SMEs, and also for citizens; Moreover, the single market needs to respond to new market developments such as the emergence of the digital economy and to new challenges in the context of globalisation as well as to the global economic and financial crisis and its effects on employment markets, social inclusion and public budgets;
3. CONSIDERS that all these elements make crucial an ambitious relaunch of the single market and STRESSES the need for a well functioning single market and of a clear and coherent competitiveness strategy and policies throughout the different EU policies;
4. In this context, WELCOMES the Commission's Communication "Towards a Single Market Act: for a highly competitive social market economy" and its core elements, as well as its strong political commitment to give a new impetus to the single market as a central tool enabling the European Union to strengthen competitiveness and to bring about a concrete and determined improvement in the daily lives of all businesses and of more than 500 million European citizens;
5. In light of the current economic and social climate and the pressing need to take steps that will facilitate access to the single market, support businesses, encourage growth, and help to create sustainable jobs for the future, ENDORSES the priority given to the single market and the general approach of the SMA, according to which the single market must rest upon a strong economic and social basis with a view to build a "highly competitive social market economy"; CONSIDERS in this regard that the single market should focus on boosting competitiveness and smart, sustainable and inclusive growth as well as on restoring and strengthening both the confidence of citizens and consumers, by putting them at the heart of the single market, and the confidence of businesses in their access to the single market;

On this basis DEEMS NECESSARY to address the following key issues:

A. Fully exploit untapped potential and address business and citizens' concerns

6. NOTES that fragmentation of the single market is frequently mentioned by business as an obstacle to their competitiveness and growth, preventing them, citizens and consumers from taking benefit of the advantages of all opportunities of the single market, e.g. cross border investment, economies of scale and synergies. It is therefore important for markets to be integrated. It is also important to remove barriers and to avoid the creation of new ones, where they hamper the proper functioning of the single market, as well as to address gaps in the development of infrastructure which is critical to cohesion within the EU and to the EU's competitiveness. Where there are cross-border problems arising from the interaction of different national systems, for example in the fields of company law, national technical product regulations in non-harmonised areas, professional qualifications, and taxation, these should be examined carefully;

7. **UNDERLINES** that the fragmentation of the single market affects even more strongly SMEs and **CALLS UPON** the Commission and the Member States to follow the principle of Think Small First when developing, prioritising and implementing the measures contained in the SMA, promoting the creation of a level playing field and avoiding the creation of any forms of distortion of commercial competition, in line with the Treaties, so that SMEs can operate across borders as they do in their domestic markets and thereby grow;
8. **ALSO NOTES** the need to harness policy instruments not only to boost growth but also to encourage entrepreneurs to bring new products, services and ideas to the market, in this context **ENCOURAGES** the Commission to consider concrete actions to support European enterprises, especially SMEs, to promote creativity, to protect intellectual property and to guarantee the consumer's safety, in particular in the field of the fight against counterfeiting and piracy; **RECOGNISES** the importance of developing new business models enlarging the legal offer and at the same time preventing and combating piracy, including through an efficient sanctions regime;
9. **SUPPORTS** the Commission's intention geared towards business-to-business relations in order to protect the different operators in the supply chain while enabling the gradual emergence of a more efficient and fairer single and wholesale and retail market while meeting consumers' expectations regarding competitive prices and extended access to markets and offers; and **CALLS** on the Commission to examine the need for measures to address unfair commercial practices in business-to-business relations;
10. **UNDERLINES**, in line with the Article 9 of the TFEU, the importance of addressing, in defining and implementing the EU policies, the different concerns the citizens may have as actors of the Single Market in their multiple roles as consumers, employees, entrepreneurs, researchers, savers, students, pensioners or social beneficiaries; it is of particular importance to ensure that citizens can easily have access to the rights that the Internal Market offers to them;
11. **SUBSEQUENTLY LOOKS FORWARD** to considering measures to strengthen the confidence of Europe's citizens in the single market, including in the areas of services of general interest and network infrastructures (transport, energy and telecommunications), solidarity in the single market (including e.g. social impact of the single market legislation), access to employment and lifelong learning, entrepreneurship and social economy, cross border activity, mobility (including e.g. free movement of workers) as well as consumer protection and empowerment;

B. Use all tools and instruments of the IM to develop new sources of growth

12. **CONSIDERS** that all the appropriate tools and instruments of the single market should be mobilised in order to fully exploit new sources of smart and sustainable growth in services and industry alike.
 - The services sector : its development is crucial to the EU Economy and the Council **RECALLS** in this context the importance to fully implement the services directive and to follow-up on the results of the mutual evaluation process to further enhance the functioning of EU services markets;

- The industrial base : industry plays an important role for European economic growth and for job creation and is an important driver of productivity and innovation. RECALLS that the single market must contribute to develop a strong and sustainable industrial base able to compete globally; therefore UNDERLINES the need to improve framework conditions for industry, foster research and innovation (inter alia, as appropriate, via public procurement, IPR or standardisation) and their commercial exploitation in the framework of the new integrated industrial policy,
13. RECOGNISES the importance of promoting the sustainable transition of European enterprises to a greener and more resource-efficient economy, including by market-based instruments, in order to tackle the need for increased resource and energy efficiency and the opportunities. A well functioning single market for environmental goods and services can offer opportunities for growth, innovation and jobs.
 14. EQUALLY RECOGNISES the importance of building up a smart EU economy; DEEMS CRUCIAL to proceed with the further development of the digital single market in order to exploit the considerable opportunities for growth it can offer for the whole EU economy (notably e-commerce and e-government); CALLS UPON the Commission and Member States to proceed promptly on this matter;
 15. FURTHERMORE RECOGNISES that reinforcing cohesion and the smooth operation of the single market are mutually supportive and that, depending on the situation in different Member States and regions, the further development of sustainable network infrastructures plays an important role in this regard;
 16. SHARES the Commission's emphasis on the need to explore measures that improve access to finance in particular for SMEs, to encourage long term private investment, through e.g. venture capital funds, and LOOKS FORWARD to explore means to enhance untapped opportunities in this field, including through venture capital investments and more effective EU public procurement policy and legislation and through facilitating SMEs access to stock markets;
 17. RECOGNISES that all relevant new measures from the SMA, legislative or otherwise, should be designed in such a way that they facilitate business access, in particular for SMEs, to the single market. In this context, and with regard to the smart regulation principle, UNDERLINES the need for strengthened and integrated economic, social and environment impact assessments of single market legislation taking into account, inter alia, the competitiveness of European industry, specificities of Member States, continued efforts to reduce unnecessary administrative burdens including burdens arising from cross-border activity, ex post evaluations and fitness checks of regulatory frameworks;

C. Strengthen the external dimension of the Single Market

18. RECOGNISES that the achievement of the single market is an important step forward strengthening our international competitiveness but EMPHASIZES that its external dimension must be reinforced; In particular, in the field of International standardisation, the EU has to play a central role in order to facilitate trade relationships for its enterprises with the rest of the world;

19. STRESSES the need for the EU to seize the benefits of open trade and investment as well as STRESSES the need for the EU to promote its interests and values more assertively and in a spirit of reciprocity and mutual benefit. The European Union's strategic partnerships with key players in the world provide a useful instrument for pursuing European objectives and interests. This will only work if the European Union's strategic Partnerships with key players in the world are two-way streets based on mutual interests and benefits and on the recognition that all actors have rights as well as duties. In this context, STRESSES the need to further enhance the coherence and complementarity between its internal and external policies;
20. UNDERLINES in particular the need to address issues where European companies are still facing lots of remaining obstacles, in particular with regard to market access to third countries, including in the area of public procurement and IPR; also DEEMS necessary to promote regulatory convergence with third countries and make greater use of the EU Market Access Strategy;

D. Build up a new partnership with all relevant actors

21. CONSIDERS that a collective commitment is necessary to ensure a successful relaunch of the single market;
22. STRESSES in this context the importance of further developing the single market in partnership with EU Institutions and Member States, including regional and local actors, and in dialogue with all parties (businesses, social partners and relevant stakeholders, including end-users of regulation) in order to ensure the widest possible support and the best possible implementation of single market rules once adopted;
23. UNDERLINES the necessity for better coordination between internal market and other policies both at national and EU level in order to ensure consistency in EU policymaking and, in particular, to ensure internal market objectives are respected in other policy areas, where applicable; UNDERLINES that the Competitiveness Council and the Commission should play a central role in this regard;
24. UNDERLINES the importance of, effective, efficient and uniform enforcement of EU law throughout the single market, a better coordination of the administrative cooperation, alternative dispute resolution and tools to provide citizens and businesses with information and informal problem-solving, such as Solvit and Your Europe, and mutual evaluation in selected areas where appropriate;
- 25a INVITES the Commission, in line with the Treaties:
 - to support a solid internal market as a major policy goal to be pursued with renewed political determination, with the full involvement of the European Parliament, Council and the Member States, citizens and businesses;
 - to prevent additional barriers and fragmentation of the internal market and distortion of competition between enterprises, notably SMEs;

CONCLUSION

25. INVITES the Commission to react in due time on the results of the public consultation and to keep the Competitiveness Council fully informed;
 26. COMMITS ITSELF to continue to examine the SMA on the basis of the 50 measures proposed therein and on the basis of these Council Conclusions with a view to define, at the earliest possible time, in partnership with the European Parliament and the Commission, the priority measures that should be in place before the end of 2012 in the framework of the final version of the Act. When doing so, the Competitiveness Council will promote close cooperation with the other relevant Council formations, to ensure the overall coherence of policies and measures related to the single market.
 27. ALSO COMMITS ITSELF to fully playing its role not only in defining those priorities but also in regularly ensuring the follow-up of the SMA, monitoring its implementation, and on further assessing the effectiveness of the SMA."
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