



COUNCIL OF  
THE EUROPEAN UNION

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## Council conclusions on the Single Market Act – priorities for re-launching the Single Market

*3105th ECONOMIC and FINANCIAL AFFAIRS Council meeting  
Brussels, 12 July 2011*

The Council adopted the following conclusions:

"The Council (Ecofin)

### 1. RECALLS

- the Conclusions by the Council (Ecofin) on 16 February 2010 on the deepening of the EU Single Market, stressing the importance of further deepening the Single Market; and the conclusions of the Council (Ecofin) on 15 February 2011 on the Annual Growth Survey and the European Semester regarding the mobilisation of Community level growth drivers;
- the Conclusions of the European Council of 17 June 2010 on a new Europe 2020 strategy for growth and jobs, requesting Europe's single market to be taken to a new stage through a comprehensive set of initiatives;
- the Conclusions of the European Council of 16 September 2010, notably on the coordination of the Union's internal and its external policies; and the report "A new strategy for the single market" of 9 May 2010 by Professor Mario Monti, and the Commission's Communication "Towards a Single Market Act – for a highly competitive social market economy" of 27 October and the results of the public consultation thereof;
- the Conclusions of the European Council of 24-25 March 2011 highlighting the importance of the Single Market in delivering growth, employment and promoting competitiveness and inviting the European Parliament and the Council to adopt by the end of 2012 a first set of priorities to bring new impetus to the Single Market.
- The Conclusions of the Council (Competitiveness) of 10 December 2010 on the Single Market Act and of 30 May 2011 on the priorities for relaunching the Single Market.

# P R E S S

## 2. REAFFIRMS

- that the further deepening of the Single Market should be one key element for the EU's forward looking strategy. Since its launch, the Single Market Programme has contributed to the promotion of integration and competition within the EU and has resulted in remarkable benefits in terms of price developments, growth and jobs. However it is still far from being completed and its economic potential has not been fully achieved. Moreover, the single market needs to respond to new challenges in the context of globalisation as well as to the global economic and financial crisis and its effects on employment and public finances, and bring benefits to citizens and businesses. These challenges call for an ambitious relaunch of the Single Market, which rests upon a strong economic and social basis with a view to building a highly competitive social market economy. As indicated by Commission estimates, the completing, deepening and making full use of the single market has the potential to produce growth of about 4% of GDP over the next ten years;

- the call on the Commission to adopt specific measures at EU level which are key to growth and job creation, focusing on promoting the well functioning and integration of markets, notably services markets, including financial markets; and smart regulation at EU level and economic, social and territorial cohesion in the EU.

3. WELCOMES the Commission's Communication of 13 April 2011 "Single Market Act – twelve levers to boost growth and strengthen confidence" as well as its strong commitment to further developing a proactive and coherent response to reduce fragmentation of the Single Market; and SUPPORTS the comprehensive approach put forward by the Commission in line with the Europe 2020 Strategy for smart, sustainable and inclusive growth.

4. EMPHASISES the urgency to act to mobilise the Single Market with a view to support economic recovery. EU actions need to concentrate on the adoption of those measures that can most directly support Member States reform efforts and have the greatest impact on growth, job creation and competitiveness, while contributing to sustained fiscal consolidation efforts and a resource allocation efficient economy. A more flexible internal market would reinforce the adjustment capacity of the EU economy. The Single Market equally needs to strengthen citizens' and businesses' confidence in their internal market and ensuring that its benefits are passed on to consumers. To this end, particular attention needs to be given to:

- completing the Single Market for services, with a view to removing remaining unjustified or disproportionate regulatory obstacles at national level in many service markets and increasing the adjustment capacity of Member States' economies. In this context, a broad range of policy measures should be taken forward, inter alia a fully-fledged implementation of the Services Directive in all Member States; performance checks of the practical functioning of certain services sectors important for growth; a revision of the legislation on the European standardisation system; modernising the system for recognising professional qualifications and reviewing the scope of regulated professions and barriers that cannot be justified, encouraging in this way mobility. Particular attention should also be devoted to the retail and wholesale trade sectors on account of their important contribution to growth and job creation;

- supporting SMEs as an important source of innovation and jobs. The overall regulatory burdens need to be further reduced, and in particular for SMEs that are particularly sensitive to these barriers; access to finance need to be facilitated by the creation of a regulatory environment that is conducive to the development and growth of SMEs, including by making it easier for venture capital to act cross-border by achieving a more convergent regulation across the EU; the patent system needs to be improved to promote competitiveness and innovation; and access to public contracts needs to be made easier for companies, especially SMEs, by modernising public procurement procedures and making them more flexible;

- adopting measures to improve infrastructure in energy and transport developed under the respective infrastructure packages. Besides contributing to energy security and a sustainable environment, they can help promote growth and jobs by fostering the competitiveness of EU industries through enhanced cross-border competition. In this perspective, RECALLS that innovative financing instruments need to be further assessed in terms of leverage effects in comparison to existing instruments, risks that would be added to government balance sheets and possible crowding out of private financial institutions. Possible innovative financing instruments at EU level require further analysis regarding their effectiveness and that the possible use of these instruments would depend on consistency with Member States' budgetary rules; and
- modernising the Single Market through rapidly developing an operational digital Single Market, including a safe, transparent and well-functioning market for electronic commerce, which facilitates cross-boarder business, and contributes to both better priced and a greater choice of goods and services.

5. STRESSES also the need of reinforcing the external dimension of the Single Market and enhancing coherence and the complementarity between EU's internal and external policies. In this context the focus should be on promoting free, fair and open trade. International regulatory dialogue on norms, standards and intellectual property rights must be promoted.
6. UNDERLINES the importance of strengthening governance in the Single Market by ensuring a level playing field for all through effective, efficient and uniform enforcement of Single Market rules; CALLS ON Member States to improve the transposition of - and compliance with - Single Market Directives, with a view to further reducing the transposition deficit, and strengthen enforcement and problem-solving means; and RECALLS the potential of the mutual evaluation exercise as a tool for unleashing growth potential by helping to remove regulatory inefficiencies and identifying best practises, while recognising the efforts by Member States; INVITES the Commission to continue the work on the governance aspects of the Single Market, and on reserved activities, insurance obligations, capital ownership and legal form requirements, identified as obstacles to better integration of services markets; RECALLS the request of the Council (Ecofin) of February 2010 asking the Commission to conduct an evaluation of the effects of the implementation of the Services Directive.
7. STRESSES that EU policies are instrumental in achieving these objectives. The transposition and effective implementation of all Single Market rules by Member States can be an important growth driver at national level and consequently should be appropriately considered strategies outlined in National Reform Programmes; CALLS upon the Commission to factor these considerations into its Annual Growth Survey and assessments of National Reform Programmes taking into account national priorities and development needs, and with the aim of feeding into peer review exercises, once the relevant legal proposals have been defined and approved.
8. ACKNOWLEDGES the horizontal role of the Council (Competitiveness) with regard to the Single Market Act and UNDERLINES the role of the Council (Ecofin) with regard to initiatives in the area of financial services and taxation and Single Market initiatives with impact on growth and jobs. The Council (Ecofin) will examine the Commission's initiatives on the review of the Energy Tax Directive and a common consolidated corporate tax base for businesses (CCCTB), including with regard to their impact on the functioning of the Single Market.

9. INVITES the Commission to keep the Council fully informed about initiatives related to the Single Market Act and to submit a progress report on implementation on a yearly basis.
  10. CALLS ON the Council and the European Parliament in close cooperation with the Commission to adopt at the latest by the end of 2012 a first set of priority measures to bring new impetus to the Single Market.
  11. LOOKS FORWARD TO the launching of the new stage in the development of the Single Market by end 2012, drawing upon a comprehensive economic study identifying specific areas of untapped growth potential and possible new levers for growth.
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