



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from: General Secretariat
to: Delegations

Subject: Council Conclusions on the Priorities for Relaunching the Single Market

Delegations will find attached the Council Conclusions on the Priorities for Relaunching the Single Market adopted by the Council of 30 May 2011.

COUNCIL CONCLUSIONS
ON
THE PRIORITIES FOR RELAUNCHING THE SINGLE MARKET

THE COUNCIL (Competitiveness)

BEARING IN MIND that revitalising and reinforcing an effective Single Market encompassing over 500 million consumers and EUR 11 trillion of economic activity is essential for Europe to develop, to stimulate growth and jobs and to strengthen citizen's confidence in the Single Market;

EMPHASISING the fact that the Single Market is a main tool to reach the objectives of the Europe 2020 Strategy and the flagship initiatives therein¹; HAVING REGARD to the Europe 2020 Integrated Guidelines² calling to ensure a fully functioning internal market;

STRESSING that quick decisions are needed to stimulate smart, sustainable and inclusive growth in the Single Market, as reflected in the Commission's Annual Growth Survey;

SHARING THE VIEW that a truly integrated Single Market has the potential to enhance competitiveness of the European economy and that further deepening the Single Market is a high priority as reflected in the synthesis report on the implementation of the European Semester;

¹ COM(2010) 2020.

² SEC(2010) 488/3.

1. RECALLS

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, calling for the reduction of the overall regulatory burden in particular for SME's at both European and national levels and on the basis of the Commission's Communication "Towards a better functioning single market for services", on Member States to fully implement the Services Directive and on the Commission and Member States to take further actions where necessary to improve the internal market for services, 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 and agreeing that the external dimension of the Single Market is also important and the focus should be on promoting free, fair and open trade, with a focus on concluding the WTO Doha Round and Free Trade Agreements in 2011 in line with the Conclusions of the European Council of 16 September 2010, which relates to the need to give new momentum to the Union's external relations in the broad sense, and in which agreement was reached on the need for Europe to promote its interests and values more assertively and in a spirit of reciprocity and mutual benefit; stressing trade as crucial for economic recovery and job creation;

the Conclusions of the European Council of 17 June 2010 requesting Europe's Single Market to be taken to a new stage through a comprehensive set of initiatives;

the Conclusions of the Council (Competitiveness) of 10 December 2010 on the Single Market Act underlying the need to define the priority measures in partnership with the European Parliament and the Commission and highlighting that the Single Market should focus on boosting competitiveness and smart, sustainable and inclusive growth as well as creating jobs and through considering measures to strengthen the confidence of Europe's citizens in the single market, including in the areas of services of general interest;

the Conclusions of the Council (Competitiveness) of 4 December 2009 on the priorities for the Internal Market in the next decade agreeing that there are a number of key areas that especially need to be addressed, including the removal of still existing barriers;

the Conclusions of the Council (ECOFIN) of 15 February 2011 reaffirming the importance of further deepening of the Single Market;

the report of Professor Mario Monti of May 2010 “A new Strategy for the Single Market”;

the Commission’s Communication “Towards a Single Market Act – for a highly competitive social market economy”³ of 27 October 2010 and the results of the public consultation thereof;

the opinion of the Committee of the Regions⁴ and of the European Economic and Social Committee⁵;

the European Parliament’s resolution of 20 May 2010 on delivering a Single Market to consumers and citizens⁶;

the European Parliament Resolution(s) of 6 April 2011 on “Governance and partnership in the single market”⁷, on “Single market for Europeans”⁸ and on “Single market for enterprises and growth”⁹;

³ COM(2010) 608 final/2.

⁴ INT/548-CESE525/2011.

⁵ CdR 330/2010-ECOS-V-009.

⁶ adopted 20 May 2010, P7_TA(2010)0186.

⁷ P7_TA-PROV(2011)0144 adopted on 6 April 2011.

⁸ P7_TA-PROV(2011)0145 adopted on 6 April 2011.

⁹ P7_TA-PROV(2011)0146 adopted on 6 April 2011.

2. UNDERLINES that the Single Market is one of the greatest achievements of the EU and it remains the cornerstone of European integration. It needs to respond to new societal, technological, environmental and economic developments in Europe and in the rest of the world in the context of the global economic and financial crisis, new market developments, environmental challenges and globalization in general; in this perspective EMPHASISES that the external dimension of the Single Market must be reinforced and STRESSES the need to further enhance the coherence and complementarities between the EU's internal and external policies;
3. UNDERLINES the key role the Single Market has to play in delivering growth and employment and promoting competitiveness; STRESSES that emphasis should be laid on measures which create growth and jobs and bring tangible results to citizens and businesses; POINTS OUT the need for ambitious steps to be taken to achieve a genuine and fully-fledged Single Market and a clear and coherent competitiveness strategy throughout the different EU policies and regions, including the outermost regions, and therefore actions should be taken on the basis of strategic priorities where the benefits to citizens, consumers and businesses, in particular small and medium-size enterprises (SMEs) and micro-enterprises, are the greatest; moreover, the Single Market must rest upon a strong economic and social basis with a view to building a highly competitive social market economy;

4. WELCOMES the Commission's Communication of 13 April 2011 "Single Market Act - Twelve levers to boost growth and strengthen confidence"¹⁰ as well as its strong commitment in developing a proactive and horizontal action plan aiming at eliminating fragmentation in the Single Market and strengthening citizen's and businesses' confidence in their internal market and ensure that its benefits are passed to consumers; RECOGNISES the need to ensure the necessary synergies and the overall coherence of policies and measures related to the Single Market and COMMITS ITSELF to carefully examine, as a priority, the Commission's initiatives falling within its competence with the aim of better exploiting the full potential of the Single Market;
5. STRESSES the need to respond to the main challenges which SMEs are facing such as access to finance and markets and coping with red tape; EMPHASISING furthermore that promoting cross-border operation of venture capital funds is of great importance for financing SMEs especially in the area of innovation; WELCOMES the Commission's intention to make it easier for venture capital funds established in one Member State to invest freely in any other Member State;
6. URGES the Commission to modernise the Professional Qualifications Directive to improve the mobility of professionals across the Single Market and to facilitate in line with the Treaties the free movement of services and workers, which are key principles of the Single Market and could significantly contribute to enhancing EU growth and competitiveness; and IS READY to examine the initiative of creating a European Professional Card;
7. STRESSES that an improved and legally sound patent system is essential to promote competitiveness, job creation and innovation within the European Union in order to ease the lives and reduce the costs of entrepreneurs and inventors and thereby contribute to growth;

¹⁰ COM(2011) 206/4.

8. ATTACHES GREAT IMPORTANCE to the need of a well-functioning electronic commerce in the Single Market that could develop consumer empowerment, guarantee better priced and better choice of goods and services in buying across borders and thus significantly contribute to growth of SMEs; moreover AGREES that consumer alternative dispute resolution schemes can offer low-cost, simple and quick redress for both consumers and traders while, at the same time, being a useful tool for maintaining business reputation and strengthening consumers' confidence;
9. WELCOMES the Commission's initiative on a more integrated and efficient European standardisation system, including in the IT field and – where appropriate – services, aiming at speeding up and modernising standard-setting procedures, respecting the principles of transparency, openness to all relevant stakeholders including appropriate representation and of national delegation, and helping EU businesses to compete more successfully in global markets;
10. ATTACHES GREAT IMPORTANCE to the development of integrated and interconnected European transport and energy networks taking into account the main objectives of the Europe 2020 transport and energy strategies, as well as existing differences among the Member States as regards their economic development, the state of their infrastructure and their different geographical positions and energy resources in order to achieve better integration of the Single Market and promote cohesion across the whole EU;
11. STRESSES the need for creation of a well-functioning digital Single Market where security and interoperability as well as the mutual recognition of e-signatures, national e-authentication and e-identification mechanisms serve as a basis and are key to facilitating the cross-border use of online services;
12. WILL GIVE DUE CONSIDERATION TO the Commission's initiative to create a European framework facilitating the development of social investment funds to promote objectives relating to social, ethical or environmental progress;

13. CONSIDERS that promoting energy efficiency and environmental friendly consumption can contribute to the EU's green development and energy and climate policy and the relevant Council formation WILL EXAMINE the Commission's initiative on the review of the Energy Tax Directive;
14. CONSIDERS that proper implementation and enforcement of the Posting of Workers Directive can contribute to a better protection of posted workers' rights and ensure more clarity regarding the rights and obligations of service providing businesses as well as national authorities and can help to prevent circumvention of the applicable rules; moreover CONSIDERS that more clarity in the exercise of the freedom of establishment and the freedom to provide services alongside fundamental social rights is necessary;
15. WELCOMES the Commission's intention to revise the accounting directives as this should contribute to administrative burden reduction and to improving the clarity and the comparability of financial statements particularly for SMEs;
16. UNDERLINES that modernization and simplification of the existing EU public procurement framework, while preserving the transparency and non-discrimination principles, can provide better, more efficient and cost effective procurement outcomes with more flexibility, less transaction costs and administrative burdens while facilitating an innovative, socially and environmentally responsible public purchasing culture;

CONCLUSION

17. UNDERLINES the importance of strengthening governance of the Single Market thus ensuring a level playing field for all in the Single Market through effective, efficient and uniform enforcement of Single Market rules; in this respect:
 - INVITES the Commission to continue the work on the governance aspects of the Single Market;
 - CALLS ON the Member States to fully implement Single Market rules including the Services Directive;
 - UNDERLINES the importance of the SOLVIT and IMI systems;
 - furthermore COMMITS ITSELF, and INVITES the European Parliament and the Commission to avoid creating unnecessary burdens in legislative proposals in general;

18. INVITES the Commission to keep the Competitiveness Council in its horizontal role and other responsible Council formations fully informed on initiatives involved in the Single Market Act and to ensure the coherence of the Single Market agenda with other EU policies, in that context URGES the Commission to submit on a yearly basis a progress report on implementation;

19. INVITES the Commission to put forward all key action proposals as soon as possible but before the end of 2011 and in line with the timing put forward in the Single Market Act so as to facilitate their full consideration within the deadlines proposed, whilst ensuring they take full account of the principles of proportionality and subsidiarity;

20. INVITES the Member States to cooperate closely and in a constructive manner with the Commission on the issues touched upon in these conclusions;
 21. CALLS ON the Member States and the European Parliament in close cooperation with the Commission to adopt by the end of 2012 a first set of priority measures to bring a new impetus to the Single Market;
 22. INVITES the Commission to take stock of the progress achieved, to conduct a comprehensive economic study to identify specific areas with untapped growth potential and to launch a new stage in the development of the Single Market by the end of 2012 with the aim of further deepening it.
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