



Council of the
European Union

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NOTE

From:	Presidency
To:	Delegations
Subject:	Draft Council Conclusions on an updated approach for a competitive Single Market

Delegations will find in Annex Presidency draft Council Conclusions - An updated approach for a competitive Single Market, with a view to the discussion by the Working Party on Competitiveness and Growth (Internal Market) at its meeting on 13 March 2019.

An updated approach for a competitive Single Market

THE COUNCIL OF THE EUROPEAN UNION

1. RECALLS

- The European Council Conclusions of December 2018, which highlighted the need to press ahead with the Single Market agenda in all its dimensions and develop a forward-looking approach¹
- [the letter of 26 February 2019 signed by 17 Head of States and Governments addressed to the President of the European Council on the future development of the Single Market and European digital policy in view of the preparation for the next Strategic Agenda]
- the European Council Conclusions that the continued deepening of a future-proof Single Market in all its dimensions is a key priority in the Union's next Strategic Agenda (tbc. after the EUCO on 21-22 March 2019)

2. EMPHASISES the role of the Single Market as a cornerstone of the Union's global competitiveness and STRESSES that the key objective of the Union should be a more forward-looking, efficient and globally competitive Single Market. REITERATES its commitment to a continued deepening of a future-proof Single Market, delivering tangible results to entrepreneurs, consumers, workers and citizens, as well as sustainable growth.

¹ Doc EUCO 17/18, paragraph 2.

3. UNDERLINES that continued deepening of the Single Market needs to be reframed in such a way that it clearly enables a more holistic approach to the competitiveness of the European economy and RECOGNISES that the renewed approach should bring together and highlight the interlinkages and implications between Single Market policy, digitalisation and industrial policy. This approach should be reflected also by the institutional architecture of the Commission.
4. NOTES that this holistic and forward-looking approach to policy-making would offer successful transition towards a digital-driven and sustainable European economy, as an enabling environment for investment, innovation and entrepreneurship, allowing businesses to scale-up and ensuring a level playing field in which open markets are maintained.
5. HIGHLIGHTS the necessity to seize new opportunities provided by digital transformation and remove remaining cross-border obstacles in the Single Market. In the fast changing and continuously developing operational environment, it is important to prevent any new barriers and the Single Market fragmentation. The Single Market framework should allow for innovation, flexibility for business to respond to a fast-changing environment, enable new business models and be technology-neutral.
6. RECALLS the responsibility of the co-legislators and the Commission to apply the Better Regulation principles and to ensure that the regulatory environment in the Union is transparent, simple, future - proof and innovation-friendly. CALLS ON all parties concerned to strengthen a more principle-, evidence-based and market-driven approach in policy making and setting new rules.
7. EMPHASISES the importance of further integration of the markets and, as industry value chains are highly dependent on services, the need to focus on mainstreaming and strengthening the services sectors, especially digital services and data economy as an integral part of the Single Market.

8. CONSIDERS that businesses and citizens – as well as their experiences – need to be in the center of the policy-making process. INVITES the Commission, Member States and European Parliament to work together towards:
- a joint approach to policy-making based on facts and needs. This involves understanding entrepreneurs’ and citizens’ experiences and needs through undertaking in-depth research focused on ambitions and obstacles by (sub)sector and/or by cross-border/regional area.
 - proposing tailor-made solutions based on facts and found through research, by mobilising different instruments, both legislative and non-legislative and better information on applicable legislation, including the application of the mutual recognition principle, or cutting red tape. CALL ON the Commission to
 - expand its toolbox and facilitate solutions by bringing parties together, stimulating bottom-up solutions, and providing support to identify solutions adapted to each specific difficulty encountered by the businesses,
 - consider options to institutionalise this expanded toolbox e.g. through a “practical solutions squad”,
 - prioritise proposing specific actions for (sub)sectors with greatest barriers experienced / large economic relevance.
 - continuous research (instead of only a one-off exercise at the start) to update and further develop solutions: through a joint research agenda drafted by the Commission and Member States together within one year after the Commission takes office to be executed jointly and in cooperation with the European Parliament.
 - consider options to institutionalise this research agenda, for example establishing an advisory platform. The research agenda should aim for in-depth and joint research which focuses on inter alia specific (sub)sectors, qualitative input from businesses, opportunities for cross-border cooperation, economic trends and value chains.

9. CALLS ON the Commission, in particular:

- to analyse businesses’ concrete cross-border user journeys across all policy areas to identify the main relative friction (Single Market barriers) in those journeys from the point of view of the businesses in particular sectors to build an actionable evidence base.
- to support pilot projects with the participation of the Member States to jointly work out scalable solutions to specific cross-border problems in particular cross-border user stories, strengthening the cooperation between the Member States authorities in different specific areas [e.g. data exchange to improve public services and public enforcement related to cross border work, travel, studying, economic activity in particular sectors]
- to ensure that its Annual Work Programme reflects the above-mentioned approach; URGES the Commission to adopt this new bottom-up and tailor-made approach in order to avoid persistent blockages within the Council, particularly in the field of non-financial services.
- to work together with the Member states on the implementation of the existing public procurement framework, focusing, inter alia, on professionalisation , to embrace the opportunities provided by digitalisation, on enhancing cross-border procurement and on promoting standardisation for interoperability.
- to improve and speed-up the process for development and adoption of European standards, in order to be better adapted to the market demands, also in international context.

10. RECOMMENDS to the Commission to present an annual report on the state of the Single Market integration, which should translate the holistic approach into a comprehensive and operational analysis as regards the functioning of the Single Market; also it should deepen the evidence by taking into account the perspective of businesses, in particular SMEs, and consumers and should include barriers stemming from other related policies aiming at strengthening the coherence between the Single Market Policy and other policies.
 11. HIGHLIGHTS the unique role of SOLVIT in solving problems encountered by citizens and businesses in the Single Market, thus contributing to compliance with EU law and a better functioning of the Single Market on the ground and CALLS for the reinforcement of SOLVIT, including by its formal legal establishment, ensuring that Member States and the Commission provide adequate support for its effective operation, by improving the administrative capacity at SOLVIT centres, raising awareness of SOLVIT as a problem-solving tool and strengthening its role in EU law enforcement.
 12. STRESSES that the proper and uniform implementation, application and enforcement of the EU legislation, both at the Union and national level, must be strengthened in order to increase the trust of companies and citizens that their rights based on the Single Market rules are fulfilled in practice. CALLS ON the Commission to adopt, based on an end-user approach for businesses and individuals across the Union, a long-term action plan for better implementation and enforcement. The Member States are requested to actively and jointly work together with the Commission for better governance, including implementation, in order to make current rules work in practice. INVITES the Commission to present its action plan to the European Council by December 2020.
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