



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 6 January 2009

5026/09

**COMPET 3
MI 1
SOC 3
CONSOM 1**

NOTE

from : Presidency
to : Delegations
n° Cion prop.: 17568/08 COMPET 591 MI 570 SOC 810 CONSOM 228

Subject : Draft Council Conclusions on the Commission's Single Market Review Progress Report

With a view to the Competitiveness Council on 5 and 6 March 2009, delegations will find attached draft Council conclusions on the above subject to be examined at the upcoming meeting of the Working Party on Competitiveness and Growth on 8 January 2009.

Draft Council Conclusions on the Commission's Single Market Review Progress Report

Motto: Single Market – vital tool in testing times

The Council,

RECALLING its Conclusions of 25 February 2008 on the Single Market Review¹ and the European Council Conclusions of 13-14 March 2008², requesting an effective follow up to the Single Market Review on a yearly basis;

REFERRING to the Key Issues Paper of the Competitiveness Council for the Spring European Council of 2009;

1. STRESSES that the internal market is a cornerstone and one of the greatest achievements of the European Union to date. It has brought growth and prosperity to the European Union and well-being to its citizens. As the European Union faces economic downturn the Council UNDERLINES the necessity to reconfirm commitment to the fundamental principles of the Internal Market. An open and fully functioning Internal Market without barriers plays a key role in cushioning the impacts of the downturn on the real economy and strengthening it in immediate and longer term perspectives.
2. WELCOMES the Commission's report³ "The Single Market Review: one year on", and AGREES in general with its assessment.
3. HIGHLIGHTS the need to create the right environment to facilitate for EU enterprises to exploit new market opportunities so that they can grow and operate across borders as they do in their domestic market, and in particular to ensure that SMEs have the necessary means to make full use of both EU and global trading opportunities. Emphasis should be given to the evidence-based and outcome-oriented approach. Effective application of the better regulation principles and extensive consultation of those affected by new regulations are particularly important in this respect.

¹ doc. 6922/08 COMPET 81 MI 78 SOC 131 CONSOM 26

² doc. 7652/08 CONCL 1

³ doc. 17568/08 COMPET 591 MI 570 SOC 810 CONSOM 228

4. UNDERLINES the necessity to maintain open markets and the importance of the external dimension of internal market policies in a global trading environment and CONSIDERS that any new proposal for regulation at EU level should, wherever relevant, include an assessment of the impact on global competition with the aim to strengthen the competitiveness of European enterprises in the globalisation process and to improve Europe's quality as a business location in an era of globalisation.
5. BELIEVES that opening of services markets and promoting cross-border provision of services, as well as strengthening competition in the network industries, remains crucial to Europe's future competitiveness and prosperity. The Services Directive is a cornerstone in this respect, and the Council STRESSES the importance of its timely and correct implementation. Adequate resources should be allocated for the full application of the IMI system in the framework of the Services Directive.
6. ACKNOWLEDGES that giving citizens and businesses easy access to information and to their internal market rights is crucial for their ability to take full advantage of the benefits and opportunities offered by the internal market. The Council therefore stresses the importance of practical tools such as EuropeDirect, SOLVIT, ECC-NET, YourEurope, Enterprise Europe Network, Citizens Signpost Service, EURES and FIN-NET and INVITES the Commission to speed up development of the project to make these currently fragmented tools more easily accessible by integrating them through a Single Market Assistance Service gateway.
7. RECOGNISES the need for closer cooperation between the Member States and the Commission and their shared responsibility to make the internal market work better on the ground. In this respect, the Council LOOKS FORWARD to the Commission's Recommendation on Partnerships in June 2009.
8. REITERATES the need for timely, correct and coherent transposition of EU internal market legislation and CALLS on the Member States to sustain or even increase their efforts in reducing their transposition deficit.

9. AGREES with the Commission on the importance of promoting commonly agreed ICT solutions with a view to preventing the emergence of cyber frontiers that would lead to market fragmentation and distort competition in the internal market. A modern and accessible technological infrastructure must be in place to support the growth of the e-business market, for example to access services. The Council therefore WELCOMES the initiatives on E-authentication, E-signatures, E-invoicing and E-procurement and CALLS on the Commission and the Member States to contribute to quick progress in bringing these initiatives forward.
10. CONSIDERS that consumers' behaviour is an important indicator as to whether the internal market is functioning in an efficient manner. In an increasingly consumer-oriented, globalised and digital economy, an internal market that responds efficiently to consumer demands also helps to deliver an innovative and competitive economy. The Council broadly WELCOMES the 2nd Consumer Scoreboard and supports the continuous development in this area. As consumers are not yet able to fully reap the benefits of a retail market that offers increased choices and lower prices, the Council will give particular attention to the proposal for the Consumer Rights Directive with the aim to improving the functioning of the internal market to the benefit of both consumers and businesses, in particular SME's.
11. UNDERLINES the importance of a continued and effective implementation of the internal market initiatives and invites the Commission to set out in future progress reports on the implementation of the Single Market Review its views on key priorities for action to meet the challenges that the EU will face. These priorities should also be embedded, where appropriate, in the National Reform Programmes and the Lisbon post-2010 Strategy. A consistent approach towards the internal market development should be maintained with focus on the respect for its fundamental freedoms and principles and their proper application in practice in every policy area.
- 12. The Competitiveness Council, in its coordinating role on internal market issues, will continue to review progress on a yearly basis. The Council submits these Conclusions to the European Council for consideration at its forthcoming meeting in March 2009, inviting it to endorse the priorities outlined for the future internal market policy.**