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**NOTE**

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From: Presidency  
To: Permanent Representatives Committee/Council

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Subject: Review of progress on implementation of the Digital Single Market Strategy and Single Market Strategy

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**Background**

Creating a Common Market was at the heart of European integration 60 years ago. Being the engine for the EU's economic growth, it has since become one of the biggest achievements and assets of the European Union. It has reinforced the EU's global competitiveness and provides citizens with practical, everyday benefits, such as access to affordable, safe and innovative products and services. But we are still not there yet, challenges and obstacles remain and therefore the single market is far from complete. Visible and demonstrable changes need to happen for European citizens, consumers and companies to fully benefit from the single market, and to demonstrate its added value to all, especially at a time where the EU and the single market are challenged.

On 28 October 2015, the European Commission adopted its Single Market Strategy as one of its key priority actions<sup>1</sup> to deliver a deeper and fairer Single Market that will benefit both consumers and businesses. The Strategy is made up of targeted actions in three areas: creating opportunities for consumers, professionals and businesses; encouraging and enabling the modernisation and innovation that Europe needs; ensuring practical delivery that benefits consumers and businesses in their daily lives.

On 6 May 2015, the Commission adopted the Digital Single Market Strategy<sup>2</sup> laying down 16 proposed measures as prerequisites for building an inclusive digital continent, based on openness and common European values. A connected digital Single Market aims to improve access for consumers and businesses to online goods and services while creating the right conditions for networks to flourish and maximize the growth potential of Europe's digital economy. Through the Strategy, which is worth €415 billion for the European economy, the EU has developed one of the most ambitious and comprehensive digital strategies in the world which in turn strengthens the Union's digital position globally.

Over recent years, the European Council has consistently urged for the completion of the single market. The June 2016 European Council adopted an Agenda for the implementation of all aspects of the Single Market, including delivery of the Commission's Single Market, Digital Single Market and Capital Market Union strategies, called for completing and implementing by 2018 the different Single Market strategies and action plans proposed by the Commission, and concluded that "The Council will report annually to the June European Council on progress in deepening the Single Market in all its aspects".

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<sup>1</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "Upgrading the Single Market: more opportunities for people and business"

<sup>2</sup> A Digital Single Market Strategy for Europe, COM (2015) 192.

Furthermore, in September 2016 the EU Member States, who met in Bratislava to discuss the future of the EU, adopted the “Bratislava Declaration” which includes the need to help the European people “to live, study, work, move and prosper freely” across the continent. The European Council and the European Commission also announced in “the Bratislava roadmap” a common work programme for the coming months. This roadmap calls on the European Council planned in June 2017 to “review progress as regards delivering on the different Single Market strategies (including Digital Single Market, Capital Markets Union, Energy Union)”.

The aforesaid was reinforced by the March 2017 European Council which stated that “Decisions already taken must be implemented effectively and existing gaps closed through swift progress on legislative proposals, in line with the June 2016 European Council conclusions and the Joint Declaration of 13 December 2016 on the EU's legislative priorities for 2017.”

### **Where are we now....**

Since the adoption of the Digital Single Market Strategy and the adoption of the Single Market Strategy, the European Commission has adopted most of the announced measures and is committed to deliver the remaining initiatives by the end of 2017, whilst the Council and Parliament have worked steadily and intensely to achieve progress on a number of proposals issued under the Strategies. The tables in the Annexes provide the full State of Play on the individual proposals in this regard.

The Maltese Presidency, which has prioritised the Single Market as its overarching Presidency objectives, has been committed to maintaining a high working momentum in order to deliver on the individual dossiers in order to meet this shared objective and to ensure a smooth transition of the ongoing dossiers to the Estonian Presidency.

However, the momentum and ambition must be kept and intensified and political solutions need to be sought if we are to fulfil the commitments undertaken by the June 2016 European Council to complete and implement by 2018 the different Single Market strategies and action plans, and this in order to fulfil our common ambition of completing the Single Market for our citizens and businesses. We must recall, as stated by the March 2017 European Council, that ‘All will benefit from a stronger Single Market. Completing and implementing the various Single Market strategies by 2018 therefore remains our shared objective. The European Council will review progress in June.’

The Competitiveness Council has an essential role in overseeing the process and the work carried out in relation to the two Strategies and in giving its input to the European Council in this regard.

### **The next steps....**

Deepening the single market goes beyond merely delivering legislative results, it's also about thinking ahead and sometimes beyond the legislative framework.

The Single Market faces two main challenges: globalization and digitisation. In an ever better connected world Europe is facing global competition. Europe has a strong industrial base and owns competitive advantages in many different areas. To guarantee that the Single Market is also in the future an asset to our economic development we must address the remaining challenges. That is why the Commission has proposed concrete actions in the Single Market Strategy which now need the right follow-up. The servitization of our industry affects all sectors, it's therefore vital that services initiatives by the Commission are promptly adopted and implemented. Also, the Single Market for goods still holds room for improvement. Therefore, the Commission will propose actions on Mutual Recognition and Market Surveillance still this summer. It will be vital for the Commission to implement these together with Member States. Ultimately the Single Market only works as well as its rules are enforced. The Commission has adopted different measures on compliance and assistance, which should lead to better application and enforcement of Single Market rules. But also in this area it is important that this common goal is addressed by Member States and the Commission together.

With regard to the digitisation of the Single Market, on 10 May 2017 the Commission issued its Communication on the Mid-Term Review on the Implementation of the Digital Single Market Strategy<sup>3</sup> which assesses the progress made towards the implementation of the Digital Single Market Strategy, identifies where intensified efforts are needed and where the changing digital landscape calls for new collective action at the EU level.

The Mid-Term Review recognises that challenges in implementation go beyond the proposed legislative proposals. We need to build the right environment for the digital era. On data, we need to make sure that data flows freely across the EU in order to benefit from the economic benefits that using and re-using data can bring. On platforms we need to find the right balance between fairness and responsibility; promoting platform growth and innovation whilst ensuring public interest and interests of companies relying on platforms to reach their customers. On cybersecurity, we need to step-up action in order to be prepared for the anticipated rapid increase of the Internet of Things devices and to address the increasing number of cyberattacks. On investment, the focus is on those projects where the scope and scale cannot be achieved by individual countries alone e.g. high performance computing and connected mobility.

Europe has a strong industrial base and some of the best public services in the world. Both sectors are major opportunities for digital transformation and reaping the benefits that technology has to offer in terms of competitiveness and innovation. Getting the most out of data, implementing eIDAS, digitizing our strong health sector or creating the framework required for the success of connected cars are important European projects that we will need to get going over the next few years. Ambitious investments in Digital Service Infrastructures such as HPC and cyber-security capabilities are needed. Together with the right legal frameworks, we can ensure that European businesses continue to successfully compete in the global economy.

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<sup>3</sup> Commission Communication on the Mid-Term Review on the implementation of the Digital Single Market Strategy: A Connected Digital Single Market for All

We must carefully address the impact that digitisation has on current jobs and on what skills will be required by the labour market of the future. We know that, as it replaces and changes today's jobs, digital technologies will create new jobs and services tomorrow. To this end, in Rome the European Commission announced plans for a pilot project to provide working experience in the digital field for 5,000-6,000 graduate students during 2018-2020.

## **Questions:**

1. How can we better fulfil our common ambition of completing the Single Market for our citizens and businesses? Are we on the right track? Where can we step up our action?
  2. Which are the challenges ahead in working towards a future-proof and fair single market, how can we address new opportunities, challenges and remaining barriers and which are the areas in which EU added value can be achieved?
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	<b>Initiative</b>	<b>Council</b>	<b>Publication by Commission</b>	<b>Status in Council</b>	<b>Status in EP</b>	<b>Pending MT PRES Objectives</b>
1	A legislative proposal to address unjustified geo-blocking and other forms of discrimination on the grounds of nationality, residence or establishment	COMPET	E-Commerce package 25 May 2016	General Approach on 28 November 2016	Vote in IMCO held on the 25 April 2017	Commencement of Trilogues with a view to conclusion of negotiations with the European Parliament
2	Joint Initiative on Standardisation	COMPET	Standardisation package 1 June 2016	Presented to the Joint COMPCRO/ TECHNICAL HARMONISATION Working party on 13 September 2016	Final Agreement signed during the September, 2016 Council under the Slovak Presidency	N/A

3	Guidance on Services Standards	COMPET	Standardisation package 1 June 2016	Presented to the Joint COMPCRO/ TECHNICAL HARMONISATION Working party on 13 September 2016	Final Agreement signed during the September, 2016 Council under the Slovak Presidency	N/A
4	A European agenda for the collaborative economy	COMPET	2 June 2016	Non-legislative  The project related to collaborative short-term rental services was presented to the HLG on 26 January 2017 and was held on the HLG of 4 May 2017	Non-legislative.  Resolution on the Collaborative economy to be adopted in June 2017	N/A



5	Communication “Europe's next leaders: the Start-up and Scale-up Initiative”	COMPET	22 November 2016	Brief presentation at COMPET on 28 November 2016; more thorough discussion at COMPET on 20 February 2017. Issues related to start-ups and scale-ups were also debated at the Informal COMPET on 6 April 2017	Communication presented to the IMCO Committee by Commissioner Bieńkowska on 25 April 2017	The Start-Up and Scale-Up Initiative was the basis for the Informal Competitiveness Council.
6	The European Services e-card	COMPET	Services package 10 January 2017	This proposal has been discussed in Council at working party level.	EP has not started discussions yet. Rapporteurs are M. Lokkegaard (ALDE) for the Directive and A. Van Bossuyt (ECR) for the Regulation.	N/A

7	Guidance on reform needs for Member States in the regulation of professions	COMPET	Services package 10 January 2017	Discussions are being held at an expert level.	Not legislative	N/A
8	Proportionality test for the regulation of professions	COMPET	Services package 10 January 2017	Technical discussions in Council have been finalised. COMPET Council should adopt a General Approach on 29/05/217	EP appointed the Rapporteur, MEP Andreas Schwab (EPP, DE). Discussions are expected to start during the winter schedule.	General Approach during the Competitiveness Council on 29 May 2017

9	Improved notification procedure for Services legislation	COMPET	Services package 10 January 2017	Technical discussions in Council have been mostly finalised. Open remain some of the main political features of the proposal. The debate will now move towards establishing possible political compromises between the diverging MS positions.	EP has not started discussions yet. Rapporteur is Sergio Gutiérrez Prieto (S&D)	Possible General Approach during the Competitiveness Council on 29 May 2017
10	The SOLVIT Action Plan	COMPET	Compliance & Assistance package 2 May 2017	Proposal to be presented at working party level in June	EP has not started discussions yet.	N/A

11	Single Market Information Tool	COMPET	Compliance & Assistance package 2 May 2017	Proposal to be presented at working party level in June	EP has not started discussions yet.	N/A
12	Single Digital Gateway	COMPET	Compliance & Assistance package 2 May 2017	Proposal to be presented at working party level in June	EP has not started discussions yet.	N/A
13	Mutual Recognition: Action Plan to increase awareness of the mutual recognition principle		Goods package Planned for mid-2017			

14	Mutual Recognition: Revision of the Mutual Recognition Regulation		Goods package Planned for mid-2017			
15	Market Surveillance: Comprehensive set of actions to further enhance efforts to keep non-compliant products from the EU market		Goods package Planned for mid-2017			
16	Initiatives for better governance of public procurement through the establishment of contract registers, improved data collection and a networking of review bodies		Continuous	Not applicable (not legislative)	Not applicable (not legislative)	

17	Public procurement: voluntary ex ante assessment mechanism for large infrastructure projects		Planned for September 2017			
18	Communication on addressing restrictions in the retail sector		Planned for Q4 2017			
19	Communication on the interaction between the unitary patent and national patents and supplementary protection certificates		tbd			
20	Review of the Intellectual Property Rights enforcement framework		tbd			