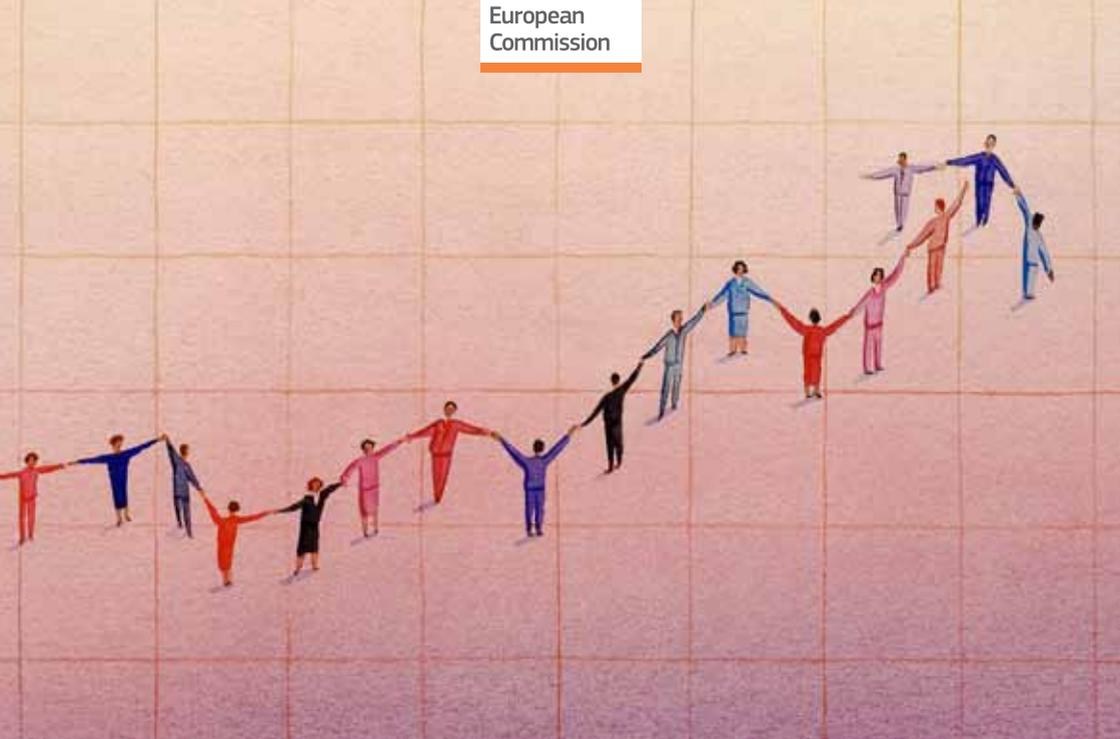




European  
Commission



# Single Market Act

**Together**

*for new  
growth*

*Internal Market  
and Services*

# Single Market Act

**Together**  
*for new  
growth*



Together for new growth  
Single Market Act



The single market has been at the heart of the European project since the very beginning. Over the years, it has helped to create millions of jobs and make Europe increasingly competitive. Today, it remains more than ever our greatest asset as we meet the challenges of the current economic crisis. Despite the progress made since its creation in 1992, there is still a lot of untapped potential.

The Single Market Act, adopted by the European Commission in April 2011, puts forward 12 key actions to revive the single market. These 12 drivers for growth, competitiveness and social progress include facilitating workers' mobility, financing for small and medium-sized enterprises, consumer protection, as well as taxation, European transport and energy networks, and the Digital Single Market. The Commission has so far put forward legislative proposals in most of these areas. The European Parliament and Member States in the EU Council should reach an agreement on these proposals by the end of 2012 to further develop the single market for businesses, citizens, consumers and workers. To ensure the quick adoption of the Commission legislative proposals the European Council in December 2011 supported the principle of a fast-track programme.

Michel Barnier,  
Member of the European Commission in charge  
of internal market and services

“ *The single market has always been the driving force behind our economic development and prosperity and, now more than ever, it remains our best asset in facing the crisis. These twelve projects will make it possible to give it new momentum which will significantly benefit businesses, workers and consumers. Our objective is a stronger single market in 2012.* ”

José Manuel Barroso,  
President of the European Commission



## 1

## Access to finance for small businesses

### What we need to do...

We need to make it easier for the EU's 22 million small businesses to have access to the finances they need to grow. Difficulty in accessing finance is one of the main obstacles that prevent SMEs from launching new products, strengthening their infrastructure and taking on more employees.

### How we need to do it...

We have to find new ways of financing, for example by creating a European passport for venture-capital allowing them to raise the funds they need and to invest easily across the EU. Venture-capital funds encounter significant difficulties in raising capital abroad and operating across borders because of the vast array of national regulatory regimes and tax barriers.

### Key action

Introduce legislation facilitating access to venture-capital across Europe.

### Complementary actions

Amend the Transparency, Prospectus and Market Abuse Directives; revise the Markets in Financial Instruments Directive (MiFID).

### Commissioners involved in delivering actions under this lever

M. Barnier, A. Tajani, O. Rehn, J. Hahn, M. Geoghegan-Quinn

### Key action: where things stand

European Commission proposal presented on 7/12/2011; discussions in the European Parliament and the Council are ongoing.

## 2

## Citizens' mobility

### What we need to do...

We need to make it possible for all Europeans who want to work abroad to do so. Improving mobility will lead to more opportunities for job seekers and allow for a better matching of skills and qualifications in the single market. As things stand, many posts for qualified personnel remain vacant. So, making it easier for qualified workers to take a job in another Member State would make labour markets work better and help the European economy to be more competitive.

### How we need to do it...

We must simplify and modernise the rules for the recognition of professional qualifications, and improve the portability of pensions.

### Key action

Modernise the legislation on the recognition of professional qualifications in order to make it easier to find a job across Europe.

### Complementary actions

Publish a White Paper on portability of pensions; create a European skills passport; develop a project for a recommendation on training "outside of school".

### Commissioners involved in delivering actions under this lever

M. Barnier, O. Rehn, L. Andor, A. Vassiliou, J. Dalli

### Key action: where things stand

European Commission proposal presented on 19/12/2011; discussions in the European Parliament and the Council are ongoing.

Commission proposal 7/12/2011;  
discussions in the EP & Council are ongoing.

01/2012

12/2012

Commission proposal 19/12/2011;  
discussions in the EP & Council are ongoing.

## 3 Intellectual property rights

### What we need to do...

We need to ensure that Europe remains a place for creativity and innovation. Industries that create and use intellectual property play a strategic role in the sustainable development of our economies. They also contribute to cultural diversity. Not only do they lead to innovation, they also generate significant added value and offer stable and highly qualified employment.

### How we need to do it...

We need to update legislation on intellectual property rights to allow creators, inventors and users to develop their commercial models. We want to encourage and ensure fair compensation for creativity whilst enabling the widest possible dissemination of information, products and services. We also need to fight piracy and counterfeiting (the number of seizures by customs authorities rose by 920% between 1999 and 2009). A single EU patent would represent a major step, as it would reduce costs for patent applications by 80%.

### Key action

Adopt legislation establishing unitary patent protection and a unified patent litigation system in the EU.

### Complementary actions

Renew the legislative framework for licensing; adopt legislation on collective rights management; adopt legislation on orphan works; revise the EU trademark system; revise the Intellectual Property Rights (IPR) Enforcement Directive.

### Commissioners involved in delivering actions under this lever

M. Barnier, A. Šemeta, A. Vassiliou, N. Kroes, A. Tajani

### Key action: where things stand

European Commission proposal presented on 13/04/2011; the European Parliament and the Council have reached an agreement pending a decision on the location of the Central Division of the Unified Patent Court.

## 4 Consumers

### What we need to do...

We need to strengthen consumer confidence by guaranteeing that the goods they buy are reliable, irrespective of where they were sold, and ensuring that they can easily exercise their rights, in particular when buying goods online or making cross-border purchases. Increased consumer confidence in cross-border electronic commerce would generate additional economic benefits, estimated at approximately € 2.5 billion.

### How we need to do it...

We have to develop rules on alternative dispute resolution, in order to establish simple, fast and affordable out-of-court settlement procedures for consumers and protect relations between businesses and their customers. We must also boost the importance of electronic commerce.

### Key action

Adopt legislation on alternative dispute resolution (ADR) and online dispute resolution (ODR).

### Complementary actions

Revise the Directive on General Product Safety; draw up a multi-annual action plan on market surveillance; propose an initiative on the environmental footprint of products; publish a Communication on passenger rights; review the Directive on Package Travel; launch initiatives on consumer protection in the financial markets.

### Commissioners involved in delivering actions under this lever

J. Dalli, A. Tajani, J. Almunia, J. Potočník, S. Kallas, M. Barnier, V. Reding

### Key action: where things stand

European Commission proposal presented on 29/11/2011; discussions in the European Parliament and the Council are ongoing.

## 5 Services

# 5

### What we need to do...

We have to make the single market work better by fully exploiting the potential of services, which are the major driving force behind job creation in Europe. While EU growth averaged 2.1% per year from 1998 to 2008, the services sector grew by an average of 2.8% per year. Employment in the sector grew by 2% per year, compared with 1% for the economy as a whole.



### How we need to do it...

We need to broaden standardisation, which is essential for making trade easier, to include services and not only goods. We also need to make these standardisation procedures more effective, efficient and inclusive. And we have to examine all the stages in the retail supply chain, so as to create a more effective market and ensure benefits for consumers.

### Key action

Revise legislation on the European standardisation system.

### Complementary actions

Ensure the implementation of the Services Directive; carry out performance tests for services; launch an initiative on fighting unfair commercial practices; establish a high level group to make recommendations to improve how markets for business services work.

### Commissioners involved in delivering actions under this lever

A. Tajani, M. Barnier

### Key action: where things stand

European Commission proposal presented on 01/06/2011; the European Parliament held a public hearing on 23/11/11; discussions in the European Parliament and the Council are ongoing.

## 6 Networks

# 6

### What we need to do...

We need to create efficient and modern energy, transport and telecoms infrastructures. They are the backbone of the single market and play a key role in encouraging fast, reasonably priced and efficient free movement of people, goods and data. Furthermore, a new European policy for energy infrastructures is needed to tackle ageing networks, and connect and take up renewable energy.



### How we need to do it...

We have to adapt existing infrastructures to the scale and needs of the European market, and to the needs of citizens by identifying strategic projects of common interest. For example, the realisation of a truly European network for transporting energy could create around 775,000 extra jobs in the period between 2011 and 2020 and could lead to an increase in European GDP of € 19 billion by 2020.

### Key action

Adopt legislation for trans-European energy, transport and telecom infrastructure and a global funding framework (Connecting Europe Facility).

### Complementary actions

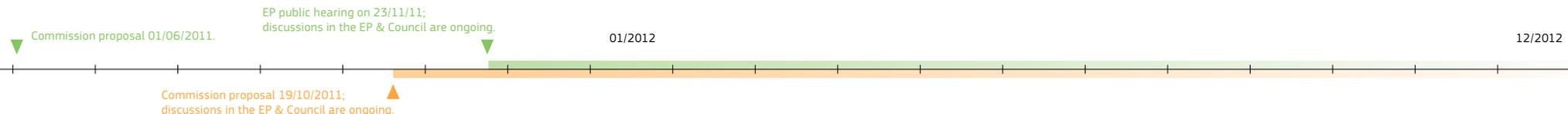
Publish a White Paper on transport - 2050; harmonise the use of radio-electric spectrum in Europe.

### Commissioners involved in delivering actions under this lever

S. Kallas, G. Oettinger, N. Kroes

### Key action: where things stand

European Commission proposal presented on 19/10/2011; discussions in the European Parliament and the Council are ongoing.



## Digital single market

### What we need to do...

We need to ensure that citizens and businesses can benefit fully from the potential offered by digital technology, which can make a substantial contribution to economic growth, and put in place a future-proof digital single market. Fragmented markets and limited consumer confidence are major hurdles. This lack of confidence, coupled with problems encountered when shopping online in other Member States, explains why e-commerce represents less than 5% of retail sales and why only 9% of Europeans have shopped online in another Member State, while 40% do so in their own Member State.

### How we need to do it...

We must provide citizens, consumers, businesses and administrative authorities doing business in the single market with adequate and reliable tools to develop their online activities, for example via the mutual recognition of e-identification.

### Key action

Adopt legislation on electronic signatures, identification and authentication across the EU.

### Complementary actions

Present an e-commerce action plan; present guidelines for transparency and non-discrimination for e-commerce; revise the Directive on Public Sector Information; introduce measures on roaming.

### Commissioners involved in delivering actions under this lever

N. Kroes, M. Barnier, A. Tajani, J. Dalli, D. Cioloş

### Key action: where things stand

Expected date for presentation of the European Commission proposal: 2nd quarter of 2012.

## Social business

### What we need to do...

Increasingly, new business models are emerging, in which social, ethical or environmental objectives are pursued alongside financial profit. We need to encourage this kind of social entrepreneurship, which represents a real source of jobs and greater social inclusion.

### How we need to do it...

This trend needs to be reflected in the single market and a level playing field has to be ensured. We have to help the development of ethical investment funds by taking advantage of the tremendous financial leverage of the European asset-management industry, which represented € 7 000 billion in 2009.

### Key action

Adopt legislation facilitating the development of European Social Entrepreneurship Funds.

### Complementary actions

Launch a Social Business Initiative; adopt a Communication on corporate social responsibility (CSR); adopt a legislative proposal on the transparency of the social and environmental information provided by businesses; introduce legislation establishing a European Foundation Statute.

### Commissioners involved in delivering actions under this lever

M. Barnier, A. Tajani, L. Andor, A. Piebalgs, J. Almunia, A. Šemeta

### Key action: where things stand

European Commission proposal presented on 07/12/2011; discussions in the European Parliament and the Council are ongoing.

01/2012

Expected date for presentation of the Commission proposal:  
2nd quarter of 2012.

12/2012

Commission proposal 07/12/2011;  
discussions in the EP & Council are ongoing.



# 9 Taxation

## What we need to do...

EU tax legislation no longer meets the needs of the single market of the 21st century or the challenges of sustainable development. It does not sufficiently encourage energy-saving or environmentally friendly energy consumption. We need to adapt EU tax legislation to the new realities of the single market and cross border challenges: to resolve existing fiscal obstacles, to respond to the new needs of businesses, and to the challenges of sustainable development (for example, gains of 0.02% of GDP linked to a Common Consolidated Corporate Tax Base (CCCTB)).

## How we need to do it...

We need to improve the framework for energy taxation so that it encourages practices which are more respectful of the environment; adopt the CCCTB; and revise the VAT system to respond to the needs of consumers and businesses.

## Key action

Review the Energy Tax Directive.

## Complementary actions

Introduce a Common Consolidated Corporate Tax Base; revise the VAT system; adopt a Communication on removing cross-border fiscal obstacles.

## Commissioners involved in delivering actions under this lever

A. Šemeta

## Key action: where things stand

European Commission proposal presented on 13/04/2011; discussions in the European Parliament and the Council are ongoing.

# 10

# Social cohesion

## What we need to do...

In a social market economy, a more unified European market in services means we need to be able to ensure, with no race to the bottom, that businesses are able to provide their services more easily throughout the EU, whilst also providing more high quality jobs and a high level of protection for workers' social rights.

## How we need to do it...

We need to clarify the rules for workers posted to another Member State; recognise the value of Services of General Economic Interest (SGEIs), and more broadly the notion and importance of public service in EU law.

## Key action

Introduce legislation on the implementation of the Posting of Workers Directive; introduce legislation clarifying the exercise of freedom of establishment and the freedom to provide services alongside fundamental social rights.

## Complementary actions

Revise the so called Monti-Kroes package on the application of state aid rules to public service compensation / post Altmark Court of Justice judgment; present a Communication on Services of General Economic Interest; following a recommendation on access to a basic payment account, the Commission may take legislative measures if necessary.

## Commissioners involved in delivering actions under this lever

L. Andor, J. Almunia, M. Barnier

## Key action: where things stand

Expected date for presentation of the European Commission proposal: 1st quarter of 2012.

# 11 Regulatory environment for businesses

## What we need to do...

The advantages of the single market depend heavily on the ease with which people, goods, services and capital can circulate freely from one Member State to another, and businesses still all too often see it as an area full of constraints, not opportunities. So, we need to simplify things and reduce the regulatory and administrative burdens, in particular for small businesses.

## How we need to do it...

We need, for example, to simplify accounting standards for businesses. The potential savings this would generate amount to € 1.5 billion every year for 1.1 million small businesses and € 5.2 billion for 5.9 million micro-businesses.

## Key action

Simplify the Accounting Directive, with regards to financial information obligations and reduction of administrative burden.

## Complementary actions

Adopt the European Private Company Statute; follow up on the “Small Business Act”; create an optional instrument on European contract law; adopt a Regulation to simplify the cross-border recovery of debt.

## Commissioners involved in delivering actions under this lever

M. Barnier, V. Reding, A. Tajani

## Key action: where things stand

European Commission proposal presented on 25/10/2011; discussions in the European Parliament and the Council are ongoing.

# 12 Public procurement

## What we need to do...

We need to maximise the benefits of public procurement, which represent 18% of GDP, to boost growth. Public procurement is an essential tool for growth and an important channel for medium and long-term investment. It plays a vital role in the response to our needs for infrastructure and services – public procurement contracts amounting to € 420 billion are announced every year at European level – and in saving money for public authorities.

## How we need to do it...

We must provide simpler procedures to those who manage public procurement, and allow them to support socially responsible and environmentally friendly approaches. We also need to maximise the acceptance and respect of European values and rules in our relationships with our trading partners with the objective of reaching “reciprocal opening” of public procurement markets.

## Key action

Revise the legislative framework for public procurement.

## Complementary actions

Amend the legal framework for service concessions; introduce legislation on access for third-country businesses to European public procurement markets.

## Commissioners involved in delivering actions under this lever

M. Barnier, K. De Gucht

## Key action: where things stand

European Commission proposal presented on 20/12/2011; discussions in the European Parliament and the Council are ongoing.

Commission proposal 25/10/2011; discussions in the EP & the Council are ongoing. ▼

01/2012

12/2012

Commission proposal 20/12/2011; discussions in the EP & Council are ongoing. ▲

This brochure has been produced in English, French and German.

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