

Courtesy Translation

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MR JOSÉ MANUEL BARROSO  
PRESIDENT OF THE  
EUROPEAN COMMISSION

***Subject: Statement of the National Assembly of the Republic of Bulgaria on boosting the potential for economic growth of the EU Single Market in the context of its 20<sup>th</sup> anniversary***

DEAR MR BARROSO,

At a regular sitting, held on **May 30, 2012**, the Committee on European Affairs and Oversight of the European Funds discussed and adopted a report with supporting statement on boosting the potential for economic growth of the EU Single Market in the context of its 20<sup>th</sup> anniversary.

The Committee on European Affairs and Oversight of the European Funds takes the view that that boosting the development and integration of the Single Market underlies the implementation of “Europe 2020” strategic goals for smart, sustainable and inclusive growth. We call for joint efforts at EU level focused on better use of the Single Market’s untapped potential by removing the remaining obstacles, complying with its rules and turning it into an engine of growth. Furthermore, we underline that in the context of new EU economic governance mobilizing the growth potential of the Single Market should be pursued in the conditions of financial discipline and fiscal consolidation.

In the framework of the intensive **political dialogue** between the Bulgarian Parliament and the European Institutions, attached herewith please find the report and supporting statement, adopted by the committee, reflecting the position of the Bulgarian Parliament on the topic.

Enclosure: as per text.

Yours sincerely,

**PRESIDENT  
OF THE NATIONAL ASSEMBLY**

**TSETSKA TSACHEVA**



**NATIONAL ASSEMBLY  
OF THE REPUBLIC OF BULGARIA**

**STATEMENT  
OF THE NATIONAL ASSEMBLY OF THE REPUBLIC OF BULGARIA**

**Following a discussion on boosting the potential for economic growth of the EU Single Market in the context of its 20<sup>th</sup> anniversary, the National Assembly of the Republic of Bulgaria through its Committee on European Affairs and Oversight of the European Funds, expresses the following statement which is to be forwarded to the EU institutions in the framework of the political dialogue:**

1. CEAOEF believes that boosting the development and integration of the Single Market underlies the implementation of “Europe 2020” strategic goals for smart, sustainable and inclusive growth. In this context we welcome the Danish Presidency for having identified the Single Market as its key priority, as well as the actions taken by the European Commission towards strengthening the Single Market and the confidence in it.
2. CEAOEF calls for joint efforts at EU level focused on better use of the Single Market’s untapped potential by removing the remaining obstacles, complying with its rules and turning it into an engine of growth. A source of concern in this vein is the fact that within the Single Market there are still in place restrictions on free movement of people, unjustified regulatory barriers and lack of full mutual recognition of professional qualifications. The market needs to become free and more flexible. This thesis is supported by the results of an array of surveys, analyses and studies. They all prove that, other terms equal, the removal of restrictions on labour force in all EU Member States will contribute to better functioning of the Single Market and to higher economic growth in Europe. The positive impact of Bulgarian and Romanian workers’ mobility on the EU economy has been underscored in the European Commission’s report of 11 November 2011. The report indicates the positive long-term effect of free movement of Romanian and Bulgarian workers on the Union’s GDP, which has grown by 0,3% for EU-27 (0,4% for EU-15) without causing substantial imbalances in the labour market.
3. CEAOEF believes that the actions and measures in support of economic growth taken in all Member States need to be focused on boosting the overall competitiveness of the European Union. This can be achieved through investment in the countries of Central and Eastern Europe (CEE), with a two-fold effect:
  - 3.1. supporting the economic convergence of CEE countries and consequently the integral growth of European economy, and
  - 3.2. creating a win-win situation where, on the one hand, CEE countries benefit from the investments made in their economy, while, on the other hand, the richer Member States benefit from investing within the EU for through the returns obtained they will influence the overall competitiveness of the Union, hence their own competitiveness.
4. CEAOEF believes that in the context of new EU economic governance mobilizing the growth potential of the Single Market should be pursued in the conditions of financial discipline and

fiscal consolidation. Preserving the stability of EURO and overcoming the debt crisis are of key importance for the EU long-term development. The implementation of structural reforms, timely and correct transposition of EU legislation through good practice exchange, cost optimization and setting up a predictable business environment should serve as a solid basis for profitable investment and generation of added value in economy.

5. CEAOEF believes that with a view to make the Single Market work better, there is a need of taking into account and carefully analyzing the specific economic factors of sustainable development in each EU Member State, including labour productivity, employment level, labour market structure, level of consumption, business profile, current account, investments in education and training. Coordination of economic policies implies a common trend of development at EU level, however without alignment of models and instruments employed by the individual countries in view of the existing disparities in their economic development. In this sense we again reaffirm our position in support of preserving national sovereignty in the fiscal policy rather than harmonizing tax bases and rates. At this stage fiscal competition in the Union is needed for the convergence between new and old Member States.

6. CEAOEF believes that European capital markets need to be further integrated and calls for strengthening the joint efforts in this direction. Standardization of requirements and removal of technical barriers to the investment activities at EU level will provide an important source of financing for the small and medium-sized enterprises (SMEs). The capital market can provide a resource for setting up new businesses and sectors, encourage entrepreneurship and help transform innovative ideas into marketable products.

7. CEAOEF stresses the need of developing and improving the digital single market as an engine of economic growth in the European Union. The trend towards increasing the share of digital against physical transactions calls for adjustment of the Single Market rules in order to ensure the safety of all participants, remove the legal and territorial barriers to its functioning and stimulate innovation.