EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Narodno Sabranie for its Opinion on the Single Market and apologises for the delay in replying.

Re-launching the Single Market is a pillar of the Europe 2020 strategy. With the Single Market Act I and II, presented on 13 April 2011 and 3 October 2012, the Commission put forward 24 priority actions which should bring tangible benefits to citizens, businesses and public administrations. The Commission attaches great importance to the transposition and implementation of Single Market rules for its benefits to be felt on the ground. This is also the thrust of the Communication on "Better governance for the Single Market", presented on 8 June 2012, which spells out concrete measures to make the Single Market deliver for all.

Citizen and worker mobility is one of the 24 priority levers in both the Single Market Act I and II. The Commission has put forward proposals for the modernisation of the Professional Qualifications Directive, which should simplify the rules for recognition and therefore help the mobility of professionals. Bulgarian firms and self-employed citizens can already freely establish and provide services in the EU. As foreseen in the Single Market Act, early 2012 the Commission put forward a proposal to improve the enforcement of the Posting of Workers Directive, currently under discussion in the European Parliament and the Council. The proposed rules should also benefit Bulgarian posted workers. Furthermore, a key proposal in the Single Market II aims at improving the EURES portal so as to make it a recruitment and placement tool facilitating mobility across the EU.

The Commission continues to remind Member States of the temporary nature of the transitional arrangements on the free movement of Bulgarian and Romanian workers. Although recognising that the decision to apply restrictions rests with the Member States, under the conditions set out in the transitional arrangements, the Commission has invited Member States which still apply restrictions to regularly assess the situation of their respective labour markets and reconsider the need to maintain restrictions until the end of the transitional period.

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In the current economic context more than ever, the Single Market should be about productive and growth-oriented cross-border investment across the whole of the European Union. Commission initiatives that are, for example, intended to improve the business environment and complete the physical infrastructure of the Single Market, go in that direction; and so do proposals in the Single Market Act II on long-term investment in the real economy and on insolvency. The EU's cohesion policy constitutes the largest expenditure item in the EU's budget for investments in the real economy, strengthening economic, social and territorial cohesion, and offers remarkable leverage for public and private investments at EU, national, regional and local levels. Alignment of cohesion policy with the Europe 2020 strategy, focusing on investments supporting smart, sustainable and inclusive growth, is at the heart of the Commission's proposals for the 2014-2020 budgetary framework.

The Commission agrees with the Narodno Sabranie on the close link between reinforced EU economic governance, with financial discipline and fiscal consolidation at its core, and the correct transposition of EU legislation. As announced by the Communication on "Better Governance for the Single market", the Commission delivered an Annual report on the integration of the Single Market, which was published at the same time as the Annual Growth Survey for 2013 and will have a bearing on the definition of country-specific recommendations in that context.

The Commission believes that ensuring the stability of the Euro area and addressing the sovereign debt crisis are key for the EU as a whole. Breaking the negative feedback loop between sovereigns and banks is of particular importance.

Indeed, well functioning capital markets are crucial for the economy as a whole. They provide an investing channel for institutions and individual investors, and a funding channel for companies and governments. As growth is slowing down and bond yields for government as well as corporate debt, both in the financial and non-financial sector, rise and diverge, addressing the fragmentation of EU financial markets becomes critical.

Furthermore, structural reforms remain fundamental to restore the growth potential of the European economy. Economic policy coordination in full respect of existing differences between Member States is ensured through the European Semester and in particular the submission of National Reform Programmes and Convergence or Stability Programmes, and through Country Specific Recommendations. The Commission encourages national Parliaments to strongly engage in the continuous dialogue with Member States taking place within the European Semester process. Regarding taxation, the Commission would like to reiterate that full tax harmonisation is not envisaged. Diverging taxation practices, however, can be an obstacle to the Single Market and more coordination is needed, where appropriate, as well as actions to remove tax-related obstacles to cross-border activities.

Finally, as to the Digital Single Market, the Commission is pursuing its completion by 2015. The way forward has been presented in the Communications on a "Digital Agenda for Europe" from 18 May 2010 and on "A coherent framework for building trust in the Digital Single Market for e-commerce and online services", dated 11 January 2012. The Commission took stock of progress with a new Communication on the Digital Agenda for Europe – Driving European growth digitally on 18 December 2012.

The Commission hopes that the Narodno Sabranie will continue to support the strengthening of the Single Market and looks forward to continuing our political dialogue on this important matter.

Yours faithfully,

Maroš Šefčovič
Vice-President