

11 November 2004

**SERVICES IN THE INTERNAL MARKET:
ADOPT IMPROVED DIRECTIVE RAPIDLY TO HELP FULFIL LISBON PROMISES**

At a hearing organised today by the European Parliament Committee on the Internal market and Consumer Protection, UNICE presented its position on the proposal for a directive on services in the internal market.

UNICE broadly welcomes the proposed directive. Establishment of a genuine internal market in services is long overdue since 1992 and is a key part of the process of economic reform launched by the Lisbon European Council. The creation of a strong services sector in Europe is crucial to attain the Lisbon objectives of increased growth and employment. Unnecessary administrative obstacles to cross-border trade in services are a serious restriction to Europe's economic development and must be tackled.

The proposed approach provides a useful basis for reducing obstacles to the freedom of establishment and cross-border provision of services in the European Union. However, clarifications are necessary in some areas. This concerns in particular the articles referring to matters covered by the posting of workers directive as the current drafting could be misinterpreted as seeking to undermine its practical implementation.

Positive aspects of the proposed directive:

- simplification of administrative burdens brought about by the creation of single points of contact;
- identification and evaluation of national regulations that serve as barriers to cross-border establishment and service provision;
- the approach of phased implementation and the possibility for harmonisation, possibilities for alternative, voluntary methods of regulation such as codes of conduct.

UNICE calls on the EU institutions to pay particular attention to two aspects related to the country-of-origin principle:

- application of this principle, where distinctive clarifications are necessary in many areas;
- the provisions for derogations from this principle and in particular for matters covered by the posting of workers directive, as the current drafting could be misinterpreted as seeking to undermine its practical implementation.

Services make up about 66% of GDP and account for about 75% of employment in the European Union. They represented 96% of total net job creation between 1997 and 2002. UNICE very much hopes that the European institutions will be able to make the necessary clarifications to the proposed text swiftly so as to release the growth and employment potential related to completion of the internal market for services.

Note to the editor:

UNICE is the official voice of more than 20 million small, medium and large companies. Active in European affairs since 1958, UNICE's members are 36 central industrial and employers federations from 30 countries, working together to achieve growth and competitiveness in Europe