

REPORT

24 November 2008

READY, STEADY, SERVICE! STATE OF PLAY OF NATIONAL TRANSPOSITION OF THE SERVICES DIRECTIVE 24 NOVEMBER 2008, BRUSSELS

1. <u>Welcome address</u> by Philippe de Buck, Director General of BUSINESSEUROPE

Philippe de Buck explained that the event "Ready, Steady, Services!" aimed at giving an overview, a year before the transposition deadline, of the state of play in the race for national transposition of the Services Directive. He recalled the importance of a good transposition to reap the potential of the service sector in Europe which still faces too many obstacles. He underscored the commitment from BUSINESSEUROPE and its national federations to assist in this task. This event and the comparative report on transposition presented on this occasion offered the opportunity to present business views and recommendations for a successful and high quality transposition. Mr de Buck thanked the distinguished speakers and encouraged interested stakeholders to be active in this debate. He concluded that the event would be closed by the BUSINESSEUROPE recommendations addressed to national governments.

2. Keynote speech by Emer Daly, European Commission, Director for Horizontal Policy Development in DG Internal Market and Services

Emer Daly pointed out that the Services Directive was an innovative and challenging instrument in the history of the Internal Market. She referred to the weight of the services sector in Europe that accounts for 70% of GDP and for most new jobs. Ms Daly regretted that only 20% of services were cross-border and pointed to the existence of different types of barriers that prevent companies, in particular SMEs, from developing in this sector. She explained that the Services Directive seeks to release unexploited potential and to simplify and modernise the regulatory frameworks of Member States. Great efforts are being made by the Commission and more than 70 bilateral and multilateral meetings with Member States have been held. For Ms Daly, Member States need to have a comprehensive review of legislation with a screening of all relevant sectors. She agreed that it was a difficult task and that coordination between Member States was difficult. She concluded that once the Services Directive is implemented, we will see how the Single Market is really working.

3. Presentation of BUSINESSEUROPE's report by Damien Verdier, Chair of BUSINESSEUROPE's Free Movement of Services Working Group

Damien Verdier presented the key findings of the comparative report on transposition based on information provided by BUSINESSEUROPE's member federations. The key



findings referred to five areas: national screening, points of single contact, eprocedures, freedom to provide services and better regulation. They can be found in the <u>brochure</u> "Ready, Steady, Service!" and in the <u>slides</u> used at the event.

PANEL DEBATE "Transposing the Services Directive: challenges and expectations"

4. Sophie in't Veld, Member of the Committee on Economic and Monetary Affairs of the European Parliament

Ms in't Veld pointed out that she had voted against the Services Directive because she believed it was weak and not ambitious enough. She was concerned about the low level of services in trade in Europe and about the current climate of economic crisis and national protectionism. She criticised the fact that some Member States were lagging far behind in the transposition process. On the points of single contact, she questioned their uselessness if their services are only provided in the national language(s). For Ms in't Veld more pressure has to be put on governments because the Services Directive benefits citizens, and people are more receptive at proposals that boost the economy and create jobs.

5. Anna-Lena Bohm, CEO of UniGuide, consulting services company (Sweden)

In her <u>presentation</u>, Ms Bohm reported that the objectives of the Services Directive to ensure free movement of services and reduce bureaucracy via simplification of procedures and formalities were key for her. Points of single contact will facilitate free movement for SMEs and should contain all information needed and be easy to use as well as coordinated. Ms Bohm repeated the importance of information and communication of what the Services Directive would create towards entrepreneurs and SMEs. Finally, she expected that the directive would make formalities and procedures simpler and speedier and expressed some concerns about services standardisation and the risk of undermining "customisation" of services.

6. *Marie-José Palasz,* Head of mission on transposition of the services directive, *French Ministry of Economy and Finance*

Marie-José Palasz highlighted the difficulties arising from the Services Directive. There is much expectation from stakeholders but she pointed out that some wanted to maintain protection. She acknowledged that there was a lack of information from national authorities about the details of the transposition and that there was a need to communicate better. For authorities, it is a great opportunity to modernise administration and to simplify the regulatory framework. She reported the national screening in France was almost completed and that implementation of points of single contact was in progress. In conclusion, she insisted that transposition was an ongoing challenge.



Summary of the debate:

The exchange of views highlighted the fact that there was a lack of information from national governments on the details of the transposition processes and that much more should be done to clarify and communicate on what the Services Directive would create in reality. Consultation with stakeholders and involvement of entrepreneurs, especially from SMEs was deemed very important.

The Services Directive introduces the principle of tacit authorisation which is expected to ease administrative procedures greatly. This means that when an entrepreneur applies for authorisation to perform a specific activity and fails to receive a response from the public authority by the established deadline, the authorisation will be assumed to have been granted.

On the question of service standardisation, the Services Directive opens up the possibility of developing European service standards. Further development of standards in services can be beneficial but it is necessary to adapt the standardisation processes and policies to the specificities of service industries. Participants also agreed that there must be a real need in the market before a new standard is developed.

7. Conclusions and recommendations by Philippe de Buck

Philippe de Buck brought the seminar to an end with BUSINESSEUROPE's recommendations for uniform and high quality transposition of the Services Directive:

- 1 National governments were urged to increase their efforts to ensure a high quality, uniform and timely transposition.
- 2 National screenings should be speeded up and lead to the simplification and modernisation of existing national rules.
- **3** Point(s) of single contact must be adequately equipped and staffed to allow for provision of the relevant information and completion of formalities -even with remote access.
- 4 Electronic procedures and their interoperability must be fully developed. The use of English language should be promoted to facilitate access to the point(s) of single contact by providers from other Member States.
- **5** An EU-wide public registry (e.g. a website in all EU languages) should be created with all information on the national transposition.
- 6 Consultation with representative stakeholders, including leading national business federations is not satisfactory and must be strengthened.
- 7 National governments should organise a broad communication campaign with the assistance of the Commission to explain the opportunities created by the directive.

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