



24 March 2010

SPECIAL MEETING OF THE SINGLE MARKET INFORMAL DIALOGUE GROUP WITH MARIO MONTI AND BUSINESSEUROPE, ORGANISED BY DG MARKT

24 MARCH IN BRUSSELS

BACKGROUND

DG MARKT has established the Single Market Informal Dialogue Group. The Group is an informal multistakeholder group which provides for dialogue and information exchange between DG MARKT and a representative selection of stakeholder organisations on general single market issues. The stakeholder groups represented are business, trade unions, consumers, social NGOs, environmental NGOs and regions.

REPORT ON THE RELAUNCH OF THE SINGLE MARKET

In October 2009, President Barroso entrusted Mario Monti with the mission of preparing a report containing options and recommendations to relaunch the Single Market as a key strategic objective of the new Commission.

Mr Monti is conducting this mission under his personal responsibility, but can call on the Commission's expertise and support. He is holding consultations with the European Parliament, relevant Commissioners, Members States and various stakeholders. He is expected to issue his report in April 2010.

Mr Monti is also part of the European "reflection group" chaired by Felipe Gonzalez. This group was invited to identify the key issues and developments which the Union was likely to face and to analyse how these might be addressed. Particular attention will be given to ways of better reaching out to citizens and addressing their expectations and needs. The reflection group is reported to present a report to the European Council in June 2010.

Mr Monti's report is expected to pay special attention to the following points:

- ensure an internal market based on "a *highly competitive social market economy*" as enshrined in article 3 of the new EU Treaty.
- strong consumer dimension as the ultimate beneficiaries of EU policies. This includes a strong competition policy, better information and communication about benefits of the Single Market;
- importance of financial markets and their global interlinks;



- energy and environmental aspects: adaption to a greener economy;
- better tax coordination via a new pact among Member States and internationally to avoid tax havens;
- the social dimension: looking at the effects of Single Market rules and principles in social systems and addressing existing concerns;
- effective application and enforcement of existing rules;
- more evidence-based policies and better impact assessments especially on social and environmental effects.

BUSINESSEUROPE INPUT TO MR MONTI'S REPORT

BUSINESSEUROPE has been in close contact with Mr Monti and his collaborators during elaboration of his report.

Mario Monti participated at BUSINESSEUROPE's Council of Presidents on 4 December in Sweden. Further to that, BUSINESSEUROPE sent two written contributions to Mr Monti, a letter on 9 December on the social aspects of the single market and a more detailed input on 27 January 2010 attaching recommendations on various areas.

In the latest contribution, BUSINESSEUROPE recalls that the creation of the Single Market is one of the European Union's greatest achievements. By removing cross-border barriers to trade, it has strengthened competition in Europe, driven up levels of innovation, enterprise and growth and delivered lower prices and more choice for consumers.

However, the Single Market has been put to the test by resurgent national protectionist trends and the stern economic downturn. Some claim that the Single Market has failed to guarantee solidarity and welfare, hindering social progress. This has undermined support for this central EU project.

Re-vitalising the Internal Market must be on the top of the EU policy agenda in the years to come. In this context, our priorities are:

- **Better regulation:** achieving the reduction of administrative burdens by 25% in 2012, carrying out impact assessments on all Commission initiatives, ensuring coherence between policies and correct transposition of EU rules.
- **More effective enforcement** via better administrative cooperation between national enforcers and more efficient problem-solving mechanisms especially through non-judicial tools.
- **Removal of the remaining and future barriers** to the movement of workers, goods, services and capital with a **special attention to strategic areas:** efficient network industries, services, in particular transposition of the services directive and financial services, transport, telecommunications, company law, tax and accounting issues. Partnerships between the public and private sector in delivering quality and cost-effective public services should be also promoted.



- The **EU social agenda** should push for more efficient and dynamic labour markets. In a Europe with no internal borders, workers need to be more mobile and adaptable while labour markets need to become more flexible. Flexicurity should therefore be the cornerstone of all EU employment and social policies. Better implementation of the posting of workers directive is needed to address the issues raised by recent ECJ rulings (e.g. Viking, Laval, etc.).
- **External dimension:** to improve enforcement and regulatory cooperation and dialogue and promote convergence and the use of international standards when appropriate.
- **Promotion of innovation and knowledge:** better framework for IPRs (enhanced patent system for Europe), mobility of researchers, more investment in R&D and better use of ICT and standards.
- **Creation of an internal market for energy:** eliminate bottlenecks and obstacles to cross-border flows of energy; facilitate long-term contracts between suppliers and energy-intensive industries; mobilise investments to trigger an efficient transition to an EU low-carbon economy, e.g. through “smart grids”.

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