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BUSINESSEUROPE PRIORITIES FOR THE SINGLE MARKET

1. Importance of the relaunch of the Single Market

The European business community strongly supports the Single Market. BUSINESSEUROPE therefore trusts the upcoming Single Market Act to put revitalisation of the single market at the centre of Europe's agenda and of EU's growth strategy.

As a key driver for economic growth, the Single Market is at the core of BUSINESSEUROPE's agenda. Despite its remarkable achievements, the Single Market is still hampered by barriers to the free movement of people, goods, services and capital. These barriers represent in total an unfulfilled economic potential of 275 to 350 billion euro, negatively affecting companies' competitiveness and consumer choice.

The current difficult economic situation has also created serious challenges coming from protectionism trends, weaker political support and certain disenchantment from citizens. This could put at risk the benefits achieved and stall further progress of the single market.

The key actions that the Single Market Act is expected to present to relaunch the Single Market must be a key element for the objective that BUSINESSEUROPE would like EU decision-makers to achieve: double EU's growth potential by 2014.

We trust the actions contained in the upcoming Single Market Act to concentrate at two levels: one refers to the way the EU manages the single market and the other to strategic areas where added-value can be created rapidly.

2. Better governance of the Single Market

A fundamental change in how the EU manages the single market requires:

- the setting up of an integrated single market strategy to ensure more coherence and better synergies between the various EU policies;
- better enforcement of existing rules, at both EU and national level, by strengthening cooperation between national enforcers and training judges and civil servants in EU law;
- elaboration of a macroeconomic study that measures the benefits and costs of further integration of the single market;
- an increased commitment to the better regulation agenda to avoid laws that create unnecessary burden on the single market;
- less, better and more targeted action. Whenever needed, new action should be based on solid data and evidence and accompanied by impact assessment, public consultation and should be regularly evaluated;
- closer monitoring from the Commission of national implementation of EU legislation. The Services Directive is a best practice example;
- better taking into account the needs and problems of SMEs;



- a more pro-active policy to support the international dimension of the single market through trade agreements and high level dialogues;
- streamlining and simplifying information and assistance tools for citizens and business and ensure more effective communication.

3. Strategic areas for short term action

The areas with particular added-value for the Single Market must be better defined and prioritised, with a special attention to the following:

- **Services, in particular implementation of the services directive:**
 - The transposition phase has passed and although progress has been made, there are still too many differences from country to country and areas where rapid action is needed. Many of the Points of Single Contact (PSCs) are not yet fully operational and offer limited use of e-procedures and foreign languages.
 - The mutual evaluation process is crucial to assess the quality of the national transposition and identify areas for improvement. Involvement of the private sector is of utmost importance to cover elements for evaluation that fall outside the scope of this exercise.
 - European, national and local authorities must continue to provide the necessary financial and human resources not only to ensure a high quality implementation but also to monitor the smooth functioning of the key elements of the directive, mainly the PSCs, the electronic procedures and the cooperation system between public authorities.
 - Better communication and information to service providers especially SMEs on the advantages and opportunities created by the directive should be given more attention.
- **EU patent:**
 - Successfully conclude with Member States negotiations on the EU Patent in a way that fully meets users' needs in terms of quality, cost-effectiveness and legal certainty and set it up in the existing framework of the Munich Convention. Patenting costs in the EU are ten times higher than in the US and need to be drastically reduced.
 - Finalise agreement on a common patent court system to do away with the existing fragmented patchwork of national systems. A common system would bring important cost-savings of approximately 300 million euro that companies could devote to further R&D.
 - Such a system needs highly experienced legally and technically qualified judges sitting in multinational panels and applying common procedural rules. In order to have a cost-effective system, the use of a single language regime for court proceedings is recommended, namely the language in which the patent was granted.
- **Financial services and accounting:**
 - Restore confidence in products, markets and financial institutions through smart regulation that is proportionate to the size of the risk involved and mindful of the financing needs of the economy.
 - Carry out comprehensive impact assessments to analyse the combined effect of new rules, in particular new capital rules, on the supply of credit and macro-economic trends.
 - Ensure mutual recognition between EU rules and US and other sets of non-EU rules in the area of accounting. Press the US to converge their accounting standards with IFRS.



- Ensure a set of International Financial Reporting Standards (IFRS), which meet the needs of European stakeholders, in particular by supporting the work and structure of EFRAG and improving the governance of the International Accounting Standards Board (IASB).
- Press the IASB to focus on financial stability issues and adopt its guidance on fair value measurement and other crisis related issues rapidly whilst allowing for an appropriate consultation process.
- **Digital Single Market:**
 - A dynamic Digital Single Market is fundamental for reinvigorating the Single Market and boosting EU's competitiveness. Close coordination and support for the implementation of the actions contained in the Digital Agenda Flagship initiative is needed.
 - Europe needs to tackle down barriers preventing the Digital Single Market to produce full benefits for consumers and businesses. Recent studies show that the economic impact of completing the Digital Single market by 2020 will boost EU GDP by more than 4%.
 - The future EU Single Market policy should foster research and innovation in ICT, taking advantage of ICT's contribution to EU's competitiveness, both within the single market and globally, to maintain a competitive edge in relation to other regions.
 - For an efficient functioning of the digital economy, Europe needs to encourage private investment in new ICT infrastructures and competition and choice of innovative services.
- **European Private Company Statute:**
 - Ensure the quick adoption of the SPE Statute. The Statute is one of the most important legislative initiatives targeted by the Small Business Act.
 - Preserve the essential characteristics of the Statute (low minimum capital; absence of a cross-border requirement; flexible rules on seat and workers' participation).
 - The potential savings on legal costs for setting up a company could be up to €10,000 and up to €8,000 could be saved on day-to-day operating costs annually.
- **Public procurement:**
 - Any move to revise the 2004 Directives is premature: current rules are adequate and sufficient. No new legislative action on concessions is needed. Any such legislation might be too prescriptive and hinder the further innovative shaping of concessions in future.
 - Commission initiatives in the area of public procurement should be coordinated more efficiently under the lead of DG MARKT.
 - Attention is needed on the persistent imbalance in openness of public procurement markets between the EU and its main trading partners. It should be considered to which extent EU public procurement markets can sustainably remain open whilst third countries maintain an unlevel playing field.

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