



KEYNOTE SPEECH

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- CHECK AGAINST DELIVERY -

SPEECH – ULF PEHRSSON,

CHAIRMAN OF BUSINESSEUROPE'S INTERNAL MARKET POLICY COMMITTEE

JOINT BUSINESSEUROPE / LPK EVENT, 15 OCTOBER, VILNIUS

MUTUAL RECOGNITION: BOOSTING THE SINGLE MARKET!

EXPLORING THE OPPORTUNITIES AND CHALLENGES FOR EUROPE

Vice-Minister, Member of the European Parliament, President,

Ladies and gentlemen,

- On behalf of BUSINESSEUROPE, I would like to welcome all participants to this event and thank the speakers again for being here with us today.
- I would also like to thank the Lithuanian Confederation of Industrialists (LPK) for organising this event with us and the Ministry of Economy of the Republic of Lithuania for kindly hosting.
- This event is organised with the support of the Lithuanian EU Presidency in the context of the [Single Market Month](#). A month full of events all over Europe and online debates organised by the European Institutions and its partners to reflect on the impact that the single market has in our daily lives and to see where further improvements can and should be made.
- BUSINESSEUROPE is the Confederation of European enterprises. We represent the views of roughly 20 million companies from all sectors and all countries in Europe. These companies all benefit from a well-functioning single market.
- As you know, the single market is the cornerstone of European integration and one of Europe's greatest achievements. It is also one of the key drivers for a stable recovery from the current crisis.
- In fact, the single market adds €600 billion a year to our economy and since 1992 has helped to create almost 3 million new jobs in Europe.
- EU countries currently trade twice as much with each other as they would do in the absence of a single market!
- Also, the opportunities for us as citizens to travel, and work abroad, and enjoy a wide variety of products from all over Europe and beyond are extraordinary.



- Yet, the single market is far from perfect:
 - Companies still experience many difficulties when wanting to sell their goods and services across borders.
 - Professionals often still have trouble to get their diploma or qualifications recognised in another Member State.
 - Transport for persons and goods could also become more fluent with better interconnections between different modes of transport and more interoperability between national transport networks.
- By removing the remaining barriers to free movement in the single market, Europe could gain between €275 and €350 billion. An opportunity that should not be lost in times where we are in need of growth and jobs.
- These remaining obstacles can be addressed in various ways, but in particular through:
 - 1) Better implementation and enforcement of existing EU rules
 - 2) Increased harmonisation of national rules
 - 3) More European standards (and less national standards)
 - 4) Wider application of the principle of mutual recognition, which is the specific topic of our discussion today
- Today, we will focus on how the single market could benefit from a wider application of the principle mutual recognition.
- In a nutshell, this means that when a product respects national rules and is sold legally in one European country, it should also be allowed on other national markets.
- Trust and mutual recognition are essential elements of a well-functioning single market. In areas where full harmonisation is not desirable or feasible, *the principle of mutual recognition* can help to improve the functioning of the single market by providing a certain degree of flexibility and cross-border acceptance.
- A principle which is already more widely used in the area of goods compared with the free movement of services, professionals and transport.
- One year ago, at the 20th anniversary of the single market, BUSINESSEUROPE presented the brochure “[single market: the way forward](#)”, which already stressed the possible benefits of widely applying the principle of mutual recognition in all areas of single market policy.



- In this publication, we also underlined the importance of information on the rules that apply in the single market for companies and citizens. Also, we stressed the need for well-designed EU legislation which is rightly applied and strongly enforced.
- I am convinced that with the excellent speakers in the panel debates today, we can further explore a number of issues:
 - 1) We will have the opportunity to discuss about the situation in those areas where mutual recognition already applies, how it works and what the benefits are.
 - This is going to be the main subject of the first panel debate on free movement and mutual recognition **in goods**. Mutual recognition gives business the possibility to provide goods in another Member State without additional formalities or heavy procedures as long as the goods comply with the essential national and European requirements (relating to safety, health, consumer protection...).
 - We will also see during the first panel debate that despite recent efforts to make mutual recognition more fully operational, there are still obstacles, even in the area of goods which is always described as the most developed of the 'four freedoms' that make up the single market.
 - 2) Today's programme will also give us the chance to explore in which other areas mutual recognition might foster free movement such as the **mobility of citizens, transport and services**. The speakers of the second panel will provide us a good insight in how this could work in practice and which difficulties still exist.
 - 3) And finally – importantly – we will have the opportunity to reflect upon situations where mutual recognition might not be the best way to foster cross-border trade and mobility. Here we will also look at the benefits of **European standards** to foster cross-border movement compared with mutual recognition or legislation to harmonise national rules.
- Despite the improvements of recent years, **single market rules are often not applied correctly** in specific cases. This is frequently due to their complexity and the fact that they apply in different national legal systems. Informal problem solving tools are usually the best way to tackle these situations, thanks to their adaptability and flexibility.
- A good example of these tools is **SOLVIT**, the EU on-line problem solving network aimed at solving problems that citizens and businesses encounter because of the misapplication of single market law by public authorities, without having recourse to judges. Today, we will also hear about SOLVIT, Your Europe Advice and other EU services from the Commission representatives.



- BUSINESSEUROPE believes that further integrating the single market and improving its functioning often does not require introducing new legislative measures. Rather, we need to ensure that the rules in place work better in practice and are correctly applied in all member states.
- Therefore, the right balance should be struck between measures to further improve the implementation and enforcement of existing rules on the one hand, and new policy initiatives on the other.
- In this context, mutual recognition could play an important role in overcoming remaining obstacles, by providing flexibility and a certain degree of acceptance that can further foster cross-border movement.

Ladies and Gentlemen,

I wish you very fruitful discussions and hope you find this afternoon inspiring.

Thank you.

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