



COUNCIL OF
THE EUROPEAN UNION



Single Market Review report (Council conclusions)

*2929th COMPETITIVENESS
(Internal Market, Industry and Research)
Council meeting
Brussels, 5 March 2009*

The Council adopted the following conclusions:

" Motto: Single Market – vital tool in testing times

The Council,

RECALLING its Conclusions of 25 February 2008 on the Single Market Review¹ and the European Council Conclusions of 13-14 March 2008², requesting an effective follow up to the Single Market Review on a yearly basis;

REFERRING to the Key Issues Paper of the Competitiveness Council for the Spring European Council of 2009;

1. STRESSES that the internal market is a cornerstone and one of the greatest achievements of the European Union to date. It has brought growth, employment, prosperity and well-being to its citizens. In the context of the current international economic downturn, the Council REAFFIRMS its commitment to the fundamental principles of the internal market and to further improve its functioning. An open and fully functioning internal market without barriers plays a key role in cushioning the impacts of the downturn on the real economy and strengthening it in the immediate and longer terms. Therefore, removing existing barriers and avoiding the creation of new ones is crucial, notably as regards measures for economic recovery.

¹ doc. 6922/08

² doc. 7652/08

P R E S S

2. WELCOMES the progress made to improve the functioning of the internal market during the year 2008, in particular through the adoption of the Goods Package and the Defence Package and calls for their timely and correct transposition.
3. APPRECIATES the Commission's report³ "The Single Market Review: one year on" and broadly AGREES with its assessment.
4. AGREES on the need for a more evidence-based and impact-driven approach to internal market policy, with targeted actions to remove barriers and enhance competition in areas and sectors of particular economic significance. To achieve this, a modern, flexible policy framework and a mixed set of well-tailored instruments are necessary. This includes harmonisation as well as mutual recognition. Non-legislative tools should also be considered, where appropriate. Effective application of the better regulation principles and appropriate consultation of those who will be affected by new regulations are particularly important in this respect as well as the proper evaluation of the impact of new initiatives on the four freedoms, and on SMEs, at the national and regional level, where appropriate. In this respect, specificities of the Member States should be taken into account. The COUNCIL therefore welcomes the emphasis on these aspects in the Commission's revised impact assessment Guidelines.
5. HIGHLIGHTS the need to create the right environment for EU businesses to exploit new market opportunities so that they can grow and operate across borders as they do in their domestic market and in particular to ensure that SMEs have the necessary means to make full use of both EU and global trading opportunities. In this context, the Council SUPPORTS full implementation of the "Small Business Act" Action plan adopted by the Council in December 2008. The Council also WELCOMES the market monitoring exercise launched by the Commission with a view to solving market malfunctioning.
6. UNDERLINES the necessity to maintain open markets and the importance of the external dimension of internal market policies in a global trading environment and of proper coordination between these policy areas. CONSIDERS that any new proposal for regulation at EU level should, wherever relevant, include an assessment of the impact on global competition with the aim of strengthening the competitiveness of European businesses in world markets and to improve Europe's attractiveness as an investment location in the global context. In this respect, the Council STRESSES the need for the EU to intensify the efforts to create a Community Patent and a Patent litigation system.

³ doc. 17568/08

7. BELIEVES that opening of services markets and promoting cross-border provision of services remains crucial to Europe's future competitiveness and prosperity. The Services Directive is an important milestone in this respect, and the Council STRESSES the importance of its timely and correct implementation. Member States should ensure that appropriate arrangements, including resources, are in place for this purpose, including for creation of Points of Single Contact and electronic procedures, full application of the Internal Market Information system and review and modernisation of national legislation.
8. REITERATES its view that it is important to strengthen competition in network industries (in particular energy, transport and telecommunications).
9. ACKNOWLEDGES that giving citizens and businesses easy access to information and to their internal market rights and obligations is crucial for their ability to take full advantage of the benefits and opportunities offered by the internal market. The Council therefore STRESSES the importance of information, problem solving and administrative cooperation tools⁴ and INVITES the Commission, in consultation with Member States, to speed up development of the Single Market Assistance Service project, which is intended to make these currently fragmented tools more easily accessible through a single gateway.
10. RECOGNISES the need for closer cooperation between the Member States and the Commission and their shared responsibility to make the internal market work better on the ground. In this respect, the Council LOOKS FORWARD to the Commission's Recommendation on Partnerships to be presented to the Council in June 2009.
11. REITERATES the need for timely, correct and coherent transposition, application and enforcement of EU internal market legislation, CALLS on the Member States to sustain or even increase their efforts in reducing their transposition deficits and WELCOMES the development of the Internal Market Scoreboard and the introduction of new analytical and qualitative elements in it.

⁴ Such as EuropeDirect, SOLVIT, ECC-NET, YourEurope, Enterprise Europe Network, Citizens, Signpost Service and EURES.

12. AGREES with the Commission on the importance of promoting commonly agreed ICT solutions with a view to preventing the emergence of cyber frontiers that would lead to market fragmentation and distort competition in the internal market. A modern and accessible technological infrastructure and an appropriate technical and legal framework must be in place to support the cross border interoperability and growth of the e-business market. The Council therefore WELCOMES the initiatives on E-authentication, E-signatures, E-invoicing, E-procurement and E-document and CALLS on the Commission and the Member States to contribute to quick progress in bringing these initiatives forward.
 13. RECALLS the need to pay also due attention to the social dimension of the internal market and to services of general interest.
 14. CONSIDERS that consumers' behaviour is an important indicator as to whether the internal market is functioning in an efficient manner. In an increasingly consumer-oriented, globalised and digital economy, an internal market that responds efficiently to consumer demands also helps to deliver an innovative and competitive economy. The Council TAKES NOTE with interest of the 2nd Consumer Scoreboard and supports the continuous development in this area while taking care to ensure that the comparable benchmarks to be selected accurately reflect their practical application across Member States. As consumers are not yet able to fully reap the benefits of a retail market that offers more competitive pricing, greater choice and accessibility for the consumers, as well as high quality, the Council will give particular attention to the proposal for the Consumer Rights Directive with the aim of improving the functioning of the internal market to the benefit of both consumers and businesses, in particular SMEs. Particular attention should be given as to how the future Consumer Rights Directive will fit with the specific consumer legislation to be reviewed.
 15. UNDERLINES the importance of a continued and effective implementation of the internal market initiatives and invites the Commission to continue to report progress on the implementation of each initiative of the Single Market Review and to present its views on key priorities for further action to meet the challenges that the EU will face. These priorities should also be embedded, where appropriate, in the National Reform Programmes and the Community Lisbon Programme. A consistent approach towards the development of the internal market should be ensured in every policy area with focus on the respect for its fundamental freedoms and principles and their proper application in practice.
 16. The Competitiveness Council, in its horizontal coordinating role on internal market issues, will continue to review progress on a yearly basis. The Council submits these Conclusions to the European Council for consideration at its forthcoming meeting in March 2009, inviting it to endorse the priorities outlined for the future internal market policy.”
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