

## The Single Market Strategy

Following the Commission Communication 'Upgrading the Single Market: more opportunities for people and business', presented on 28 October 2015, the Committee on the Internal Market and Consumer Protection (IMCO) adopted its own-initiative report on the Single Market Strategy on 21 April. The report is due to be discussed and voted in plenary in May.

The IMCO [report](#) on the Single Market Strategy (rapporteur: Lara Comi, EPP, Italy) is primarily a response to the Commission [Communication](#) on upgrading the Single Market, taking into account other Commission documents published in the [package](#), and the recommendations of the Employment and Social Affairs Committee, which delivered its [opinion](#) to the IMCO Committee. The report mentions the anticipated [trillion euro](#) gain from completing the Single Market, with the market's fragmentation being identified as a major obstacle to higher structural economic growth. It supports the overall objectives of the Commission's Single Market Strategy and recognises its potential to help achieve economic prosperity, increase competitiveness and secure sustainable growth and new jobs, while also improving the wellbeing of Europeans.

### *A modern and more innovative Single Market*

The report welcomes the Commission's determination to address the lack of tax coordination within the EU, particularly the difficulties faced by small and medium-sized enterprises (SMEs) owing to the complexity of differing national VAT regulations. It also calls on the Commission to assess the possibility of a **simplified VAT approach** in the e-commerce sector. It calls on the Commission and the Member States to step up their efforts to facilitate the application and enforcement of the [Late Payment Directive](#), and welcomes the recently [announced](#) legislative initiative on **business insolvency** and on early restructuring and second chances. The report looks forward to the Commission's forthcoming initiative on the [sharing economy](#), and calls for proposals to prevent abuse in the areas of employment and taxation here, while taking the view that regulatory intervention should show flexibility. It also calls on the Commission to ensure that its Joint Initiative for Standardisation remains driven by bottom-up, industry-led need. It further underlines the importance of the [unitary patent](#), and stresses the need to promote **social economy enterprises** within internal market policies, as they account for around 10-12% of all European businesses. It regrets however that the strategy does not devote particular attention to **skills mismatches**, which remain a barrier to growth, as 40%-47% of the EU population has insufficient IT skills, and the demand for digitally skilled employees is growing. The report also calls for a legislative proposal for the establishment of a single European system for the **protection of geographical indications for non-agricultural products in the EU**.

### *A deeper and fairer Single Market*

The report further emphasises the need to reinforce the [SOLVIT](#) network (designed to overcome unnecessary obstacles to working or conducting business in another Member State) and to **raise awareness of SOLVIT** among citizens and SMEs. It reiterates its call for the rapid adoption of the [Product Safety](#) and [Market Surveillance](#) package by the Council. The report further urges Member States to ensure proper and more effective application of the [Services Directive](#), welcoming the Commission proposal to improve the notification under this Directive, judging the current procedure to be inefficient and lacking in transparency. It calls for the planned **services passport** (a [document](#) to be issued by national authorities to help service providers going cross-border, showing that they comply with requirements in the other Member State) to be one of the horizontal tools aimed at supporting internal market legislation. The report further regrets that the Commission did not adopt any specific measures to address the needs of **people and consumers with disabilities, the elderly and those living in rural and remote areas**. Finally, it calls on the Commission to press on with a legislative proposal to address unjustified [geo-blocking](#) and other unjustifiable forms of discrimination by market operators.

