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DRAFT REPORT

on the Single Market Strategy
(2015/2354(INI))

Committee on the Internal Market and Consumer Protection

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CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	3
EXPLANATORY STATEMENT.....	8

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Single Market Strategy (2015/2354(INI))

The European Parliament,

- having regard to the Commission communication of 28 October 2015 entitled ‘Upgrading the Single Market: more opportunities for people and business’ (COM(2015)0550),
- having regard to the Commission staff working document of 28 October 2015 entitled ‘A Single Market Strategy for Europe – Analysis and Evidence’ (SWD(2015)0202),
- having regard to the Commission staff working document of 28 October 2015 entitled ‘Report on Single Market Integration and Competitiveness in the EU and its Member States’ (SWD(2015)0203),
- having regard to the Commission communication of 6 May 2015 entitled ‘A Digital Single Market Strategy for Europe’ (COM(2015)0192),
- having regard to the Commission communication of 13 April 2011 entitled ‘Single Market Act – Twelve levers to boost growth and strengthen confidence – “Working together to create new growth”’ (COM(2011)0206),
- having regard to the Commission communication of 3 October 2012 entitled ‘Single Market Act II – Together for new growth’ (COM(2012)0573),
- having regard to the report of 9 May 2010 by Mario Monti to the President of the Commission entitled ‘A New Strategy for the Single Market – At the Service of Europe’s Economy and Society’,
- having regard to its resolution of 11 March 2015 on Single Market governance within the European Semester 2015¹,
- having regard to the study of September 2014 entitled ‘The Cost of Non-Europe in the Single Market’, commissioned by the Committee on the Internal Market and Consumer Protection,
- having regard to the study of September 2015 entitled ‘A strategy for completing the Single Market: “the trillion euro bonus”’, commissioned by the Committee on the Internal Market and Consumer Protection,
- having regard to the study of 20 November 2015 entitled ‘Ex-post evaluation of Late Payment Directive’, commissioned by the Commission,
- having regard to the study of November 2014 entitled ‘The EU furniture market situation and a possible furniture products initiative’, commissioned by the

¹ Texts adopted, P8_TA(2015)0069.

Commission,

- having regard to the October 2015 edition of the online Single Market Scoreboard,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on the Internal Market and Consumer Protection (A8-0000/2015),
- A. whereas the single market has been, and remains, the cornerstone of EU integration and the engine of growth and jobs;
- B. whereas the single market is underperforming in almost all areas – in stimulating a digital-driven market, encouraging start-ups, integrating global supply chains, dealing with new business models and ensuring market facilitation, standardisation and the licensing of professionals;
- C. whereas, according to Parliament’s own research, the anticipated gain from completing the single market stands at a trillion euros;
- D. whereas a genuinely strategic approach is called for, and whereas the response to the challenges faced should be political as much as technical in nature;
- E. whereas the EU should pursue a genuine single market and treat it as a common asset of all citizens, economic operators and Member States;

Policy objectives

1. Supports the overall objectives of the Commission’s Single Market Strategy for goods and services, and welcomes its vision for how to unleash the full potential of the single market;
2. Welcomes the fact that the strategy is complementary to efforts made in other areas; believes that, by building on the initiatives already being taken, the strategy has good potential to help ensure economic prosperity and make Europe attractive for investments;
3. Underlines the urgent need to eliminate the remaining barriers from the single market in order to achieve tangible and quick results in terms of growth, innovation, job creation, consumer choice and new business models;

A modern and more innovative single market

4. Welcomes the strategy’s focus on aspects aimed at helping businesses, in particular SMEs, micro-enterprises and start-ups, to scale up their activities, grow and stay in the single market, thus facilitating their innovation and job creation; considers that all initiatives for SMEs and start-ups should be treated as a priority;
5. Believes that it is necessary to adopt a common definition of ‘innovative’ start-ups and SMEs, or objective criteria, that can be used as a point of reference for the adoption of related measures; calls on the Commission to propose such a definition;

6. Calls on the Commission to ask the REFIT platform to address barriers to innovation and put forward proposals for ways to reduce or remove them;
7. Welcomes the Commission's determination to address the difficulties faced by SMEs as a result of the complexity of differing national VAT regulations; extends its full support to the Commission in respect of the VAT reform; calls on the Commission to assess the feasibility of further coordination and, in particular, to assess the possibility of a single tax in the e-commerce sector;
8. Draws attention to the difficulties faced by businesses, and in particular SMEs and start-ups, in securing funding; calls on the Commission, while continuing the valuable support provided to those companies through the European Fund for Strategic Investments (EFSI) and programmes such as Horizon 2020 and COSME, to explore ways of further facilitating access to them, especially for micro-enterprises, for instance by reducing calls for applications to six-month periods and further simplifying the relevant procedures;
9. Calls on the Commission to consider strengthening the SME Envoy Network by taking a series of actions – while avoiding further bureaucracy – to improve awareness of this tool, and its visibility, among SMEs, to strengthen the exchange between each national SME Envoy and the corresponding SME representatives, and to present the network's activities to Parliament once a year;
10. Draws attention to the fact that each year thousands of SMEs across Europe go bankrupt while waiting for their invoices to be paid, including by public administrations; calls on the Commission and the Member States to step up their efforts to facilitate the application and enforcement of the Late Payment Directive; calls, furthermore, on the Member States to consider, in the event of unsatisfactory implementation of the Late Payment Directive, forms of adequate compensation for companies owed money by a public administration;
11. Welcomes the legislative initiative on business insolvency, including early restructuring and second chances, which will ensure that Member States provide a regulatory environment that is able to accommodate failure without discouraging entrepreneurs from trying new ideas;
12. Welcomes the Commission's Digital Single Market Strategy, and in particular the announced Single Digital Gateway; calls on the Commission to explore all ways of making the best use of the Single Digital Gateway to help European start-ups to scale up across Europe;
13. Emphasises that the collaborative (or sharing) economy is growing fast and changing the way that many services and assets are provided and consumed; underlines, furthermore, the strong link between these new business models and the performance of the single market;
14. Welcomes the Commission's announced initiative on the European agenda for the collaborative economy, and its intention to look at that economy in order to assess what needs to be done to accompany its growth and its major contribution to the economic system;

15. Considers that, in the collaborative economy, the same rules should apply to the same services, with a view to ensuring a level playing field and consumer safety while avoiding fragmentation that would hamper the development of new business models;
16. Draws attention to the important role of standards for innovation and progress in the single market; calls on the Commission to support and reinforce European standards, including by exploiting the opportunities offered by the ongoing negotiations for a Transatlantic Trade and Investment Partnership (TTIP);
17. Underlines the importance of the unitary patent; supports the Commission's intention to eliminate uncertainties as to how the unitary patent will coexist with national and supplementary protection certificates (SPCs), as well as the possible creation of a unitary SPC;
18. Calls for measures to facilitate access to the patent system in Europe for all micro-enterprises and SMEs that wish to use the European patent with unitary effect in innovating their products and processes;
19. Calls on the Commission to present a proposal for the protection of geographical indications for non-agricultural products in the EU;

A deeper single market

20. Points out that many measures have already been adopted but are not yet applied; points out, furthermore, that according to data provided by the Commission in mid-2015, around 1 090 infringement proceedings were pending in the area of the single market; calls on the Commission, therefore, to ensure that enforcement is prioritised at all levels;
21. Calls on the Commission to further support the Member States in developing a strong culture of compliance and enforcement, including by developing implementation plans for new major legislation and organising compliance dialogues with Member States; stresses that correct enforcement and better regulation are essential and should cover all business sectors and apply to existing and future legislation;
22. Emphasises that it is necessary to reinforce the Solvit network and to improve awareness of the network and its role in solving interpretation problems relating to the single market;
23. Takes note of the Commission proposal, as part of strengthening the single market for goods, to improve mutual recognition through action to increase awareness of the mutual recognition principle and through the revision of the Mutual Recognition Regulation;
24. Reiterates its call for the rapid adoption of the Product Safety and Market Surveillance Package by the Council; underlines the importance of the indication of country of origin, which is crucial to protect consumers and to strengthen the fight against counterfeiting;
25. Stresses that regulatory differences between Member States regarding differing

labelling requirements create unnecessary obstacles to the activities of suppliers of goods; calls on the Commission to consider introducing a mandatory scheme for the provision of key information for furniture, established at EU level; considers that such an initiative would be beneficial for consumers, industries and trade operators, ensuring transparency, adequate recognition of European products and harmonised rules for operators in the single market;

26. Emphasises, in respect of the single market in services, that there is a clear need to improve the cross-border provision of services; urges the Member States to ensure proper and more effective application of the Services Directive, while avoiding the practice of gold-plating; welcomes the Commission proposal to improve notification under the Services Directive; agrees to extend the notification procedure provided for in Directive 2015/1535 to all the sectors not covered by that directive;
27. Supports the Commission proposal to introduce a services passport to help service providers demonstrate that they satisfy the requirements applicable to them in the Member State where they wish to provide their service on a temporary basis; considers that this initiative should be aimed at reducing administrative burden for service providers and simplifying the procedures applicable to cross-border service provision;

A fairer single market

28. Stresses that discrimination against consumers and entrepreneurs on the basis of nationality or place of residence, in both online and offline environments, is not acceptable within the single market;
29. Calls on the Commission to submit, as a matter of priority, a legislative proposal to address geo-blocking and other forms of discrimination by market operators; calls on the Commission to lay down effective criteria for assessing the unjustified character of geo-blocking;

Conclusions

30. Calls on the Commission to submit the planned legislative proposals and initiatives to the legislators rapidly – taking into account the abovementioned proposals – following the appropriate stakeholder consultations and impact assessment, so as to ensure that they can be adopted in a timely manner;

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31. Instructs its President to forward this resolution to the Commission, the Council, the European Council and the governments and parliaments of the Member States.

EXPLANATORY STATEMENT

Completion of the single market has always been a fundamental political priority within the European integration process and it remains so.

The context has changed radically in recent years. The challenges to be tackled loom ever larger and have a particular bearing on the internal market: on the one hand, rising unemployment, which is hitting EU citizens and especially young people through its concomitant sapping of businesses and competitiveness, and on the other, the problem of immigration.

Some very important steps forward were taken in various sectors during recent years, while the Barroso Commission was in office.

The current situation, however, calls for a yet more pragmatic and incisive approach. The Juncker Commission has already, in a short period of time, set some important and ambitious actions in motion, such as, for instance, the Investment Plan for Europe, the European energy union, the digital single market strategy and the capital markets union.

The 'Upgrading the Single Market: more opportunities for people and business' strategy is an additional instrument complementing these initiatives, as prompt and effective action is needed to continue this work.

There are some interesting actions proposed in the Communication, such as for instance: the Action Plan on VAT, the legislative proposal on business insolvency, the services passport and a legislative initiative to stop consumers being discriminated against on the basis of their nationality or country of residence.

These are tangible measures that will definitely have a direct impact, with a leveraging effect on the market and on strengthening consumer protection.

The rapporteur is of the opinion that Parliament can contribute significantly to making the single market strategy more ambitious, by putting forward specific proposals in individual areas and focusing efforts on achieving a deeper and fairer single market that is more modern and innovative.

Strengthening business competitiveness (creating more jobs as a result), improving enforcement and better regulation, and strengthening consumer protection are the political priorities that need to be emphasised.

Existing businesses should be made more competitive by modernising business models, cutting back on barriers created by administration and taxation, and facilitating entry to other Member States' markets. The EU single market also needs to attract new businesses from outside the EU, and private investment. There should be support for new kinds of businesses, in particular start-ups and micro, small and medium-sized enterprises, that promotes their 'innovative' character and makes access to credit and EU funds easier and more efficient for them. The REFIT platform in particular can help identify barriers to innovation and reduce their number, while a stronger SME Envoy Network system could offer better protection for SMEs and coordination of national policies with EU ones.

The announcement of a legislative proposal on insolvency and early restructuring is welcome. The Late Payment Directive should be better applied at national level: it is totally unacceptable that businesses should go bankrupt or find themselves in difficulties because

public administrations that are their creditors do not abide by the payment terms in the Directive. Compensation mechanisms should also be considered therefore, in addition to the Directive being properly enforced.

The Services Directive continues to be an important priority: the Commission should exert a tighter control over its transposition by Member States so as to avoid the practice of gold-plating and improve the notification procedure.

Better regulation and enforcement continue to be fundamental general aims for the whole body of legislation, however.

The collaborative economy can play a part in growth and job creation but the same rules must be applied to the same services, so as to prevent fragmentation and not put obstacles in the way of new business models developing.

The unitary patent represents a significant step forward in protecting intellectual property but the link to national patent systems and supplementary protection certificates needs to be improved. At the same time however, measures could be introduced to facilitate use of the unitary patent by micro, small and medium-sized enterprises for their own innovative products.

The EU single market needs market supervision standards that are more suitable for their purpose. A decision on the future of the legislative package currently blocked in the Council is called for therefore. Standards for indications of product origin are also important for consumer protection.

Last but not least, the SOLVIT system should be strengthened to give a better interpretation of the rules and solve problems linked to the single market.