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European Commissioner for Internal Market and Services

Statement to the European Parliament on Services Directive

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

European Parliament Plenary Session

Strasbourg, 8 March 2005

Question put to the Commission:

Against the background of press and media reports of a possible revision by the European Commission of its proposal for a Directive on Services in the Internal Market;

- Could the Commission clarify its intentions on the proposal

- Could the European Commission confirm that it would not withdraw its proposal

- Confirm that it will not proceed in a way that undermines the prerogatives of the European Parliament in the co-decision procedure.

President, Honourable Members,

I am pleased to be here to set out the Commission's intentions on the services proposal. I have taken note of the reports referring to a possible withdrawal by the Commission of the proposal. I can confirm to you that the Commission has no intention to withdraw the proposal currently on the table.

Based on my consultations and having listened carefully to all sides of the argument, I identified a number of areas where I believe changes would be required for the broad consensus I would like to see emerge. Many of you have urged me to clarify the Commission's position on these points in the interest of facilitating the Parliament's own deliberations.

Members may recall that during my hearing before the EP I promised to consult and listen carefully before making any pronouncements on the draft directive which the previous Commission brought forward. Since then I have been meeting extensively with MEPs, Social Partners and Ministers.

I was heartened by the degree of support there is across the political spectrum for opening the services market. If we want to achieve the levels of growth necessary for sustainable development then a vibrant services sector is a prerequisite. Yet the single market in services is often still a distant ambition, rather than a reality. If we are to let our economies develop and grow we must maintain a clear focus on the services market.

The Services Directive is a key element in our efforts to relaunch the Lisbon Agenda. Getting the full benefit that Services can bring to the EU economy will boost growth and jobs. If we are serious about the Lisbon Agenda, we must be serious about the Services Market.

After my initial round of contacts I went to President Barroso and said that I believed the current proposal would never be adopted unless we were prepared to accept modifications.

That is why in presenting the Commission's views on the Lisbon Strategy to you some weeks ago, President Barroso indicated that the Commission believed some changes would be necessary to ensure success. Opening up the services market is an ambitious project. The proposal to achieve this is innovative. To be successful we need a broad consensus. There are aspects of the current draft that are giving rise to serious concerns. The debate had become too polarised. Many of you have raised such concerns and it is clear that shortcomings have to be addressed.

I had the opportunity to outline my views briefly to the Conference of President's last week and I am happy to discuss this further with you today. Let me reiterate the areas I have identified:

- The Directive will have to be clear that conditions and standards for workers will not be affected in any way. The text will have to be watertight on this point. There will be no change to the existing situation in this regard. I don't want to hear any more talk about so-called social dumping. This is not what this proposal is about and we should put an end to this confusion.
- The exclusion from the scope of the Directive of sectors such as health and publicly funded services of general interest. For obvious reasons, people regard these sectors as particularly sensitive.
- We should address concerns about the operation of the country of origin principle: We need to maintain this if we want to promote the cross-frontier provision of services. To do so we will need to address key issues such as giving greater confidence and certainty to businesses and consumers on what law will apply to cross-border transactions. We also need to build the trust and confidence between Member States necessary for it to operate effectively.

The above points reflect the principal areas emerging from my own consultations. It is of course up to you in the Parliament to make your own decisions. Clearly, it is your responsibility to decide on the amendments you want to bring forward. On behalf of the Commission I am merely signalling our willingness to work openly and constructively with you.

Yesterday at the Council of Ministers for Competitiveness there was an exchange of views on the services proposal. The Presidency welcomed the clear statement that no new proposal would be presented by the Commission. They endorsed the suggestion that health and social services of general interest be excluded from the proposal. They agreed that the current text needed to be modified if it was to be adopted.

I hope we can now move the discussion in the European Parliament and Council onto the positive elements that this proposal can bring.

Many aspects of the proposal have met with broad support and we should build on these.

Removing the red-tape currently strangling efforts to establish or provide services on a cross-border basis will make a real contribution to entrepreneurship, growth and job creation. Ensuring that companies have easy access to information on requirements they have to comply with will contribute to this, as will the simplification of authorisation procedures. Service Providers and their customers and consumers should not see their desire to benefit from the single market frustrated by being subjected to discriminatory and disproportionate requirements.

Recipients of services should also have easy access to information on service providers and their services. It should be easier to choose a service provider from another Member State. Quality of services should be guaranteed and simple access to dispute settlement must be available. We need to develop the co-operation, confidence and assistance between Member State administrations.

This is what the single market in services is about. It will increase competition, stimulate entrepreneurship and provide new opportunities for service providers which will give a much needed boost to the EU economy.

By ensuring that we deliver on this we will give the services economy the boost it requires. We will fulfil the commitment set out in the Lisbon agenda.

I am prepared to be constructive and positive. From the meetings I have had with many of you I have learned a great deal and very useful and constructive suggestions have been made. I remain open and available to all of you to discuss particular ideas, concerns or proposals you may have.

President,

I believe that with this I have outlined the Commission's position and our desire to work loyally within the co-decision process.