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Committee on Economic and Monetary Affairs

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DRAFT OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on the Internal Market and Consumer Protection

on the Single Market Review: tackling barriers and inefficiencies through
better implementation and enforcement
(2007/2024(INI))

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SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on the Internal Market and Consumer Protection, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas "A single market for citizens - interim report to the 2007 Spring European Council" points out that creating deeper, more flexible and diversified pan-European financial markets, the single market and the single currency together improve financing conditions for citizens and businesses and enhance EU resilience to external financial shocks,
- B. whereas Commission studies have concluded that fully integrated financial markets could, in the medium to long term, lower the cost of capital for EU companies by about 0.5 percentage points; lead to an increase in GDP of 1.1% and a 6% increase in the level of investment; as well as a 0.8% increase in private consumption; and increase the level of employment by 0.5%; whereas if EU manufacturing companies would have the same access to finance as US companies, it is estimated that value-added growth in EU manufacturing could increase by 0.75–0.94 percent on a durable basis,
 1. Points out that post market entry of EU firms can be improved by addressing, inter alia through legislative instruments, remaining barriers affecting firm growth, such as, imperfect financial markets leading to lower financial possibilities; higher administrative costs at entry that affect the expansion of firms in their initial years; and tight hiring and firing restrictions. Stresses also the importance of removing obstacles to the creation of a Single Payments Area, as well as further liberalisation of postal markets, while ensuring the financing of an efficient universal service. Calls for particular attention to be given to stimulating the potential of SMEs;
 2. Reiterates that better implementation and enforcement of legislation is essential to provide the legal stability and predictability needed by consumers and businesses in the single market. Underlines that the forthcoming initiatives in the area of retail financial services will be fundamental in further allowing citizens to fully benefit from the internal market;
 3. Believes that the resilience of the EMU will be an essential component of the Internal Market in the 21st century, inter alia through more integrated and developed financial markets, a better functioning single market for services, as well as more flexible labour markets.