

# Single Market News

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European Commission  
Internal Market and Services

Your Single Market?



## The Single Market Act

- What is the European Business Test Panel ?
- Pan-European deadline for Single Euro Payments Area

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EUROPEAN COMMISSION



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## Editor

Stefaan De Rynck  
European Commission-Internal Market and Services DG  
Unit A-4  
B-1049 Brussels  
Tel. +32 22963421  
Fax +32 22954351

## Deputy Editor

Jacqueline Tordoir  
Tel. +32 22985663  
Fax +32 22954351

## Subscriptions

Brona Meldrum - Internal Market and Services DG  
SPA2 1/008  
B-1049 Brussels  
Fax +32 22954351  
E-mail: Markt-smn@ec.europa.eu

## Layout

Dati Bendo

## Online

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## Photographs for this edition were supplied by:

Dati Bendo and the European Commission



**Jonathan Faull**  
Director General for Internal Market  
and Services, European Commission

Central to this edition of Single Market News is the Single Market Act, adopted by the Commission on 27 October 2010. The full list of 50 actions can be found on page 9. For a more detailed description on individual priorities, refer to pages 10-17. The Single Market Act is being widely debated—online and in conferences organised by the Commission and other stakeholders. On page 26 you will find which events are organised near you in the coming months. Reports on debates already held are included on pages 18 and 22.

Improving the Single Market is a key pillar of the Europe 2020 Strategy and a prerequisite for its success. Though the Single Market has proven to be a valuable asset in shielding Europe from the worst effects of the crisis, it has also suffered setbacks. The Single Market Act addresses these by presenting a package of priorities to further economic integration, strengthen our social market economy and improve governance and enforcement. It also stresses the need to secure the public's support for their single market and the opportunities it offers.

The Single Market Act put high value on effective intellectual property protection and innovation. Recently, at the request of 12 Member States, the Commission tabled a proposal for “enhanced cooperation” for a unitary patent between those Member States willing to move forward immediately, leaving the way open for others to join at a later stage. Commission proposals for an EU patent have been under discussion for over a decade, but there was a stalemate in the Council over language rules. Despite several attempts to broker a compromise, Member States had been unable to reach unanimous agreement. More on the EU Patent in this Single Market news on page 10.

I finish with a request to all our readers. Some of you may have been subscribers to the Single Market News since 1996 when it first appeared. Many more have joined since, subscribing either to the online or to the paper version. In order to continue to provide you with relevant news and background on the single market, I would like to have your opinions on Single Market News. Please take two minutes for our easy-to-fill-in readership survey either online<sup>1</sup> or on paper.

A very happy 2011 to all our readers!

Jonathan Faull

A handwritten signature in blue ink that reads "Jonathan Faull". The signature is fluid and cursive, with a long horizontal stroke at the end.

<sup>1</sup> <http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=SMNSurvey>



## EU fines airlines €800 million for running cargo cartel

On 9 November the European Commission fined 11 air cargo carriers a total of €799.5 million for participating in a cartel. Several large carriers were handed fines, including Air Canada, British Airways, SAS, and Qantas. The Air France-KLM Group received the highest fine, €339.6 million for its involvement, of which €183 million was for Air France and €127 million for KLM. The carriers were guilty of price fixing fuel and security surcharges between 1999 and 2006, part of which was a particularly difficult period for the airline industry in the aftermath of the terrorist attacks in 2001. Competition Commissioner, Joaquín Almunia said: "It is deplorable that so many major airlines coordinated their pricing to the detriment of European businesses and European consumers", adding: "With today's decision the Commission is sending a clear message that it will not tolerate cartel behaviour". Lufthansa and its subsidiary Swiss Airlines received full immunity from fines for providing information to the authorities about the cartel. The cartel consisted of multiple contacts between airlines covering flights to, from and within the European Economic Area. The purpose of these contacts was to ensure that worldwide air freight carriers imposed a flat rate surcharge per kilo for all shipments as well as additional security surcharges. The companies breached EU competition rules by collectively refusing to pay a commission on such surcharges to their clients, freight forwarders.



## The EU makes headway on its digital library

Europeana, Europe's digital library, has given the world access to more than 14 million works, including books, maps, photographs, paintings, film and music clips. From its launch two years ago with just two million works, the library beat its 2010 target by adding an additional four million to its already ambitious target of ten million. A group of experts, chaired by Maurice Lévy, Elisabeth Niggemann and Jacques de Decker, came together in November to compile their recommendations in a report on ways to bring Europe's cultural heritage online. The group, known as The Comité des Sages, will publish their findings early this year. Neelie Kroes, Commissioner and Vice President of the European Commission's Digital Agenda applauded the digital library's achievements to date, but went on to say: "Europeana could be even better if more cultural institutions digitised their collections and made them accessible through this European portal. I trust the Comité des Sages will soon give us ambitious recommendations to speed up that process." Launched as a digital platform in 2008, Europeana has managed to gather an impressive array of items. Recent acquisitions include a Bulgarian parchment manuscript from 1221; the first known Lithuanian publication, dating to 1547; paintings by the 17th century Dutch painter Jan Steen; the complete works of German authors Goethe and Schiller; and a collection of pre-World War I photographs. While 34 per cent of the collection is made up of digitised texts, an astonishing 64 per cent is made up of photographs, maps, paintings, museum objects and other images. This year Europeana is experimenting with user-generated content and invites its users to contribute material related to the subject of World War I.

More info at: [http://ec.europa.eu/internal\\_market/copyright/copyright-info/copyright-info\\_en.htm](http://ec.europa.eu/internal_market/copyright/copyright-info/copyright-info_en.htm)



## EU votes to tighten rules on Alternative Investment Fund Managers

November's vote in the European Parliament will bring in new rules to regulate the managers of hedge funds and private equity funds on a European Union-wide basis. The new rules, in the form of a Directive on Alternative Investment Fund Managers (AIFM), will introduce for the first time a single market framework for this sector. The Directive will deliver EU-wide marketing rights beginning in 2013 to approved fund managers operating within the EU. Authorisation in one Member State will enable a fund manager to market funds to professional investors across the EU, via the 'passport' mechanism. The rules will come into effect progressively so that by 2015 these rights will be extended to those outside the EU as long as certain strict conditions are met. The Directive will require fund managers to become more transparent and to comply with a number of rules to ensure that their risks are properly managed. They will also face restrictions on "asset stripping", which is the sale of assets in the period immediately following a takeover. Commenting on the agreement, Commissioner for the Internal Market and Services Michel Barnier said: "The Directive will increase transparency, reinforce investor protection and strengthen the internal market in a responsible and non-discriminatory manner." The AIFM Directive is one of several EU measures that seek to strengthen financial supervision, including better oversight of credit rating agencies. The Directive is due to come into effect in 2013 and will be reviewed by the Commission after four years.

More info at: [http://ec.europa.eu/internal\\_market/investment/alternative\\_investments\\_en.htm](http://ec.europa.eu/internal_market/investment/alternative_investments_en.htm)



## 2011 : the European Year of Volunteering

2011 is the European Year of Volunteering. Many events, exhibitions, live demonstrations and other activities will be taking place throughout Europe in the course of the year. Five high-visibility European conferences and events have been planned to take place in various cities around Europe. In each Member State volunteers will be given the opportunity to exhibit their work, meet one another and to engage with policy-makers and the general public. The European Year of Volunteering should be seen as a celebration of the commitment of millions of people in Europe who work in their communities during their free time without being paid. Whether they protect the environment or provide social services to people, volunteers make a difference to many people's lives. The European Year of Volunteering is also meant to be an appeal to the three-quarters of the European population who do not do any volunteering. All Europeans are invited to make a difference.

More info at: [http://ec.europa.eu/citizenship/focus/focus840\\_en.htm](http://ec.europa.eu/citizenship/focus/focus840_en.htm)

# Commission sets pan-European deadline for Single Euro Payments Area



*On 16 December, the Commission proposed to set EU-wide end-dates for the migration of the old national credit transfers and direct debits to the recently created Single Euro Payments Area (SEPA) instruments. It will mean that national credit transfers and direct debits are phased out and the recently created pan-European systems come into effect. This will reduce the costs of payments, increase competition and make cross-border payments as easy as domestic ones. The Commission's proposal now passes to the European Parliament and the Member States for consideration.*

Internal Market and Services Commissioner Michel Barnier said: "We have a single market, many countries share a single currency and soon we will move to a single pan-European payment system in Europe. It means that making payments cross-border will become as easy as making them at home. Consumers will only need one bank account and their payments will be faster, cheaper and safer. Businesses will benefit from one set of standards and much simpler processes. The proposal adopted fixes end-dates to make this pan-European system a reality, hopefully as early as 2012."

## Examples of what could soon be made easier and cheaper

Belgian citizens working in the Netherlands will receive their salaries on their Belgian bank accounts as quickly as their Dutch colleagues. A German can pay all his gas and electricity bills for his holiday home in Greece by simple direct debit from a German account. A Romanian student on exchange in Italy does all her payments in Euros effortlessly from her Romanian account in Euros. Companies will also benefit from SEPA. An export/import German company trading with Latvia, Cyprus and Norway increases cash flow by collecting funds in euros from debtors in these countries through the use of a single account in Germany.

The Single Euro Payments Area (SEPA) is the area where more than 500 million citizens, over 20 million businesses and European public authorities can make and receive payments in euro under the same basic conditions, rights and obligations, regardless of their location. The objective of SEPA is to increase efficiency and competition so that high-quality and competitively priced electronic payment products exist throughout the whole of the EU. This would mean that Europeans can rely on one bank account to make euro payments across 32 countries<sup>1</sup> while enjoying highly competitive services provided by banks. Thanks to SEPA, as from 2012, money transfers will reach the beneficiary at the least by the end of the next business day or faster and no deductions will be made to the amounts transferred. As a result, the process of paying bills will be even more convenient. SEPA benefits not only customers; businesses will enjoy common standards, faster settlement and simplified processing for payments that will improve cash flow, reduce costs and facilitate the access to new markets.

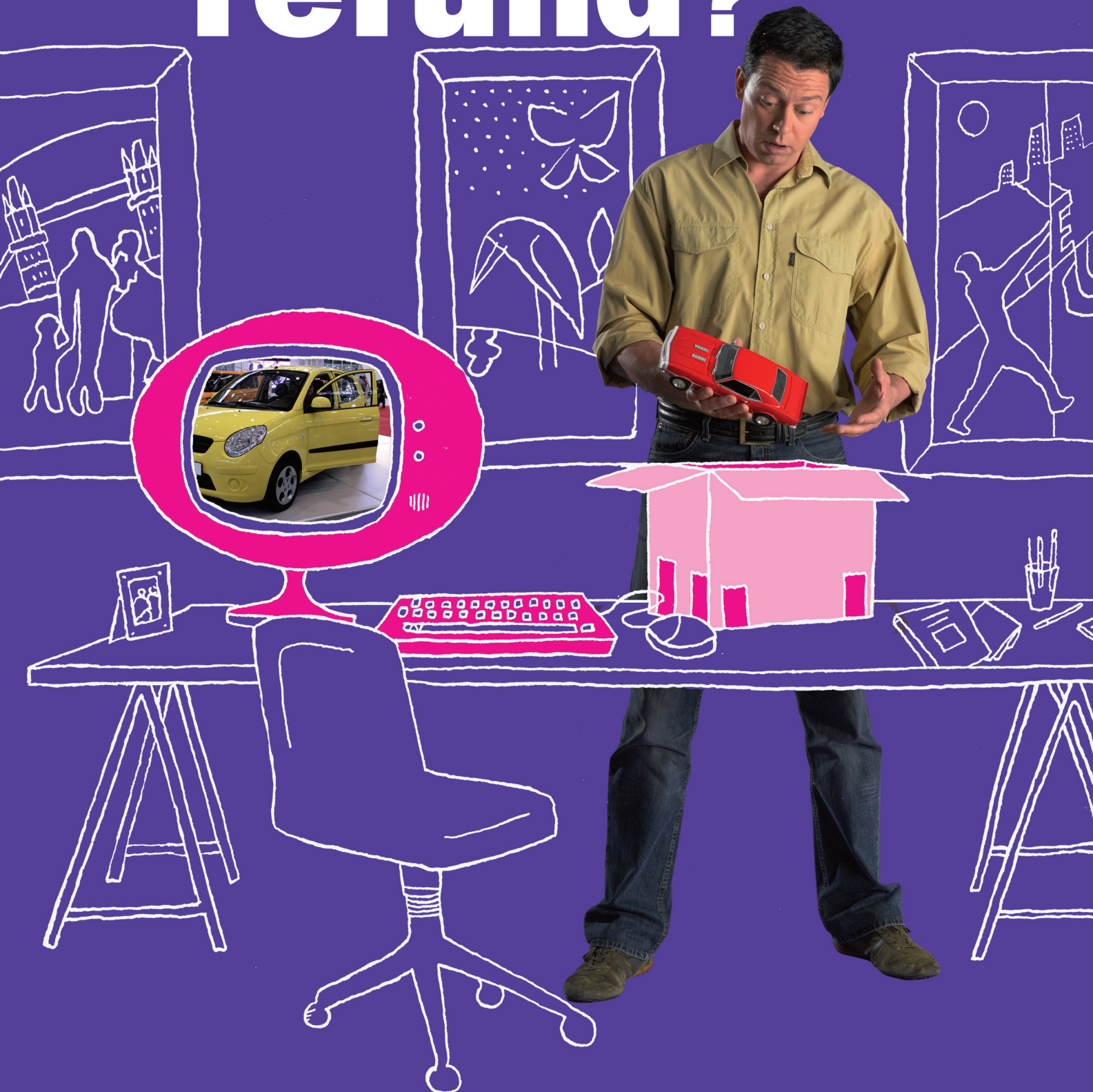


<sup>1</sup> These are the 27 EU Member States plus Iceland, Liechtenstein, Norway, Switzerland and Monaco.

Info

[http://ec.europa.eu/internal\\_market/payments/index\\_en.htm](http://ec.europa.eu/internal_market/payments/index_en.htm)

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**or call** 00 800 67 89 10 11 (Europe Direct)

# Commissioner Michel Barnier invites readers to public debate on the Single Market Act



I am delighted to introduce the Single Market Act to you in this special edition of Single Market News. I hope this edition will help you to formulate your ideas so that you will take me up on my invitation to get involved in the public debate on the single market.

The single market is more than a common market or simply a system for free movement. It is a political project. Back in 1951, Jean Monet and Robert Schuman took the first crucial step towards a common coal and steel market. Designed to enhance economic cooperation, it also served an overarching political vision and mission: for Europeans to live together in peace and democracy; to turn wanting into being together. Today, populist and protectionist tendencies threaten our desire for unity. As a result, the single market is fragile and we can no longer take its existence for granted. However, this is not the time to go on the defence or settle for nostalgia. There is work to be done. This is what the Single Market Act is about.

The world is changing. Fast. Many changes have been for the better. But not all of them and not for everyone. The financial crisis has demonstrated how fragile our systems are. Many of our citizens are paying a heavy price. My personal belief is that a more secure world should first and foremost be a more just world. As Europeans, we have to defend our values and continue to make our voice heard at international negotiation tables, now and in the future. The only way to do this is to be together, pooling our resources. The Single Market Act is about making this happen.

Proposals by Mario Monti and Louis Grech have been instrumental for the Single Market Act. I underline the importance of their concept of reaching a “deal” between Member States and agree that certain “trade-offs” are needed to make progress towards a highly competitive social market economy. But we need a good debate before we decide on how to strike the right balance between conflicting views.

The Commission decided to give ample time for a public debate on the Single Market Act; until the end of February 2011. I want this debate to be thorough. A proper debate now, with constructive suggestions from stakeholders from all corners of Europe, will save time during the implementation phase. We have identified 50 measures for action in our proposal for the Single Market Act. The public debate should decide which ones are the most urgent and which ones are possibly missing.

The Commission will be ready in the spring of 2011 to make final proposals and start the implementation of the Single Market Act. By the end of 2012, I want all of us to stand over a comprehensive package of implemented measures that will have helped the single market to reach its full potential.

I sincerely hope that the Commission will not be on its own, but that the Member States and the European Parliament will play their role in showing citizens the single market creates more growth, more jobs, more wealth and more well-being. 2011 and 2012 will be key years for the creation of a more dynamic single market; one that works for each and every European citizen. I invite you all to make your contribution and have your say by taking part in the public debate on your single market on:

[http://ec.europa.eu/internal\\_market/smac/](http://ec.europa.eu/internal_market/smac/)





# Single Market Act: rank the 50 actions!

*The Single Market Act proposes 50 actions: the debate asks individuals to rank what they believe are the ten most important actions.*

- |  |   |
|--|---|
| 1. EU Patent                                       | 26. Transport infrastructures                             |
| 2. Copyright                                       | 27. Energy infrastructures                                |
| 3. Counterfeit and piracy                          | 28. European radiospectrum                                |
| 4. Internal market for services                    | 29. Respect for fundamental social rights                 |
| 5. Electronic commerce                             | 30. Posting of workers to other Member States             |
| 6. Standardisation                                 | 31. Pensions  |
| 7. Integrated transport system                     | 32. Industrial restructuring                              |
| 8. Energy taxation                                 | 33. Recognition of professional qualifications            |
| 9. Business-to-business services                   | 34. Student mobility                                      |
| 10. Ecological footprint of products               | 35. Recognising skills and training                       |
| 11. Energy Efficiency                              | 36. Social business                                       |
| 12. SME access to finance                          | 37. Social innovation                                     |
| 13. Small Business Act review                      | 38. Corporate governance                                  |
| 14. Accounting rules                               | 39. Product safety  |
| 15. EU project bonds                               | 40. Access to basic banking services                      |
| 16. Private investment and venture capital         | 41. Responsible lending and borrowing                     |
| 17. Public procurement                             | 42. Tax obstacles for citizens                            |
| 18. Services concessions                           | 43. Passenger rights                                      |
| 19. Common consolidated corporate tax base (CCCTB) | 44. Evaluating implementation of rules with Member States |
| 20. VAT  | 45. Information exchange between public authorities (IMI) |
| 21. Interconnection of business registers          | 46. Alternative dispute resolution and collective redress |
| 22. E-identification/authentication                | 47. National transposition of EU rules                    |
| 23. International trade                            | 48. Consultation and dialogue with civil society          |
| 24. International public procurement               | 49. One-stop-shop for information and assistance          |
| 25. Services of general economic interest (SGEI)   | 50. Informal problem-solving tools                        |

Your Single Market?

[Info](http://ec.europa.eu/internal_market/smact/index_en.htm)

[http://ec.europa.eu/internal\\_market/smact/index\\_en.htm](http://ec.europa.eu/internal_market/smact/index_en.htm)

# The Single Market Act



*The Single Market Act, up for public debate until February 2011, proposes a set of 50 actions. In this edition of Single Market News, you are presented with a selection of some of the more pressing ones.*

Actions in the Single Market Act proposal fall into three categories:

- **Strong, sustainable and equitable growth.**
- **Citizens at the heart of the single market.**
- **Better governance and dialogue in the single market.**

## Strong, Sustainable and Equitable Growth

*21 million European companies cater to 175 million jobs and supply 500 million consumers. The single market must encourage companies to expand, buy, sell, create, invest and hire throughout the European Union and beyond, because Europe is poised to think and act globally. 10 actions falling under this category are given here.*



### A European patent (Action Nr 1)

Our current fragmented system for patents stifles innovation and fails to properly protect inventors and centres for research and businesses.

Any company or individual registering a patent has to go through a process of validating it in each and every Member State. This involves translation fees, a costly business that deters smaller companies.

Registering a patent now may also be subject to expensive and risky multi-forum litigation in different Member States. The Single Market Act aimed to have the first EU patents issued in 2014, but despite several attempts to broker a compromise, Member States have been unable to reach unanimous agreement over language rules.

But an alternative solution is at hand. At the request of 12 Member States, the Commission recently tabled a proposal for “enhanced cooperation” for a unitary patent between those Member States willing to move forward immediately, leaving the way open for others to join at a later stage. The proposed decision to authorise enhanced cooperation on unitary patent protection needs to be approved by the EU’s Council of Ministers by qualified majority, after the consent of the European Parliament. The Commission will come forward in 2011 with detailed proposals for implementing enhanced cooperation for unitary patent protection, including translation requirements.

### Imagine a medical breakthrough...



Imagine an SME specialising in medical implants achieves a breakthrough in a new spinal device. Aware that the copying of innovations is common in the sector, the company decides that a patent is the only way to protect its invention.

Registering the patent in 13 Member States could cost the company up to €20,000 under the current system. Financial constraints prevent the company from doing so, leaving the invention vulnerable to copying in other countries. If copied outside the EU and imported through the port of a Member State where the patent is not registered, authorities would be powerless to stop its release into the single market.



### Tackling problems for Electronic commerce (Action Nr 5)

The sector that poses the most problems to consumers is the online single market. Today, only 7% of consumers buy online. Too often consumers cannot purchase products from other Member States because of their nationality or place of residence. A recent study revealed that 61% of online purchases failed because companies refused to sell to people from other countries. In 2011, the Commission will support Member States by providing more guidance on how to rule out discrimination in e-commerce. On 2 December, the Commission issued a Communication on e-invoicing aimed at making it the predominant method of invoicing in Europe.

The absence of a European framework for copyright further complicates online purchases. Buying or selling music, books or other creations of cultural value is still too complicated. As a result, Europe's potential for an EU-wide exchange of works that are of cultural value remains largely untapped. In 2011, the Commission will propose a Framework Directive on copyright, in order to open access to art online while ensuring proper protection and remuneration for copyright holders.

### Fighting Counterfeiting and Piracy (Action Nr 3)

Counterfeiting and piracy have become major problems for world business. Twenty years ago, counterfeiting was a concern mainly for manufacturers of expensive handbags. Today, counterfeiters not only fake electrical appliances, car parts, toys and software, but even medication. This means that not only that millions in tax revenues are lost, but also that jobs and the health and safety of citizens are put at risk. The Commission will propose an action plan to confront counterfeiting and piracy in 2010 and will put forward a legislative proposal for a reinforcement of customs control. It will also re-examine its strategy on intellectual property rights for non-EU countries.



#### Did you know that:

- €60 billion is lost in tax revenue in the G20 as a result of piracy and counterfeiting.
- There were €10 billion in retail losses in 2008, and 186,600 jobs lost.
- The 2009 Eurobarometer revealed that nearly one third of Europeans think it is OK to buy counterfeited goods, and 40% of young Europeans are consciously buying fake products of internet platforms.

### Increase the single market for services (Action Nr 4)

Services are an essential part of Europe's economy and represent more than 70% of all jobs. But although progress has been made, the single market for services still does not work as well as it could. Cross-border services only represent 5% of GDP, which is very low compared to goods traded in the single market, representing 17% of GDP. Citizens and businesses, especially small and medium sized enterprises (SMEs) all stand to gain from a better-functioning Single Market for Services. These gains are estimated at annual profits of 60 to €140 billion; a growth of GDP of between 0,6 and 1,5%. That is why the Commission will put forward further measures to improve the single market in services in 2011.

### More efficient rules for common product standards (Action Nr 6)

Common standards means companies no longer have to comply with different standards for different markets. It reduces their cost and gives them better access to global markets, which leads to more trade and growth. New products that comply with international quality standards deliver a message of trust and professionalism. Common standards for products across the EU have also been essential to ensuring EU consumers have access to safe, quality goods, regardless of a product's origin. The economic benefit of standardisation is close to 1% of GDP. But there still is room for improvement. Standards should be agreed more quickly to keep pace with rapidly developing new technologies. Otherwise we deprive companies of export opportunities.

#### Aircraft standards

Airbus Industries, a subsidiary of EADS, has been a pioneer in the global aircraft manufacturing sector for over forty years. Most recently, the manufacturer drastically reduced the number of parts for the wide body A330/A340 passenger aircrafts through the use of harmonized standards. Synchronizing standards at European level has resulted in greater cost efficiency and better access to global markets. Airbus was able to use the European standards and no longer had to comply with a multiplicity of industry standards in different countries. The net outcome was a reduction in costs of more than €9 million.



## **Access to capital markets for small and medium sized enterprises (Action Nr 12)**

SMEs represent 99% of all EU companies. But they often cannot exploit their potential to expand because they are faced with difficulties of access to capital. It is still much easier to access capital for a big company than a small one. That is why improving SMEs' access to finance is so important. The Commission will encourage the creation of a network of regional stock exchanges and ensure that venture capital funds can invest freely in all Member States, which will favour small start-ups. It will take action on giving SMEs more visibility to potential investors and push for less complicated requirements for their listing on capital markets. The Commission also wants to simplify accounting rules for SMEs, and improve their access to public procurement contracts.

## **European bonds for citizens' savings (Action Nr 15)**

The Commission will look at finding ways to encourage private investors to invest in long-term economic strategies as well as in big European infrastructure projects such as transport and energy schemes. One option is the creation of "project bonds", an idea raised by President Barroso in his State of the Union Address of 2010. These bonds could be issued in close cooperation with the European Investment Bank.

## **Common consolidated tax base and improved VAT systems for companies (Action Nr 20)**

The 27 national corporate tax systems all work very differently. This creates fiscal obstacles for businesses discouraging and often blocking cross-border activities. Hardest hit are SMEs, who are often unable to overcome the complexities of various tax systems. This is why the Commission wants to introduce a common tax base to address those provisions in the tax systems that limit the growth of companies seeking to benefit from the European single market. A common tax base would mean that a company has to abide by only one set of rules and would need to deal with only one agency on tax issues. This initiative will not affect the rates of corporate taxation that Member States apply.

Our VAT system has remained largely unchanged since it was first introduced in 1967. For businesses operating cross-border, costs are too high and administrative procedures too cumbersome. Fiscal fraud, tax- and duty evasion and bankruptcies have resulted in a net loss of 12% of VAT revenue. The Commission will propose a new VAT strategy in support of a stronger single market with simpler rules.

## **Greener, more innovative and more efficient public procurement (Action Nr 17)**

Public procurement is the process whereby the public sector awards contracts to companies for the supply of goods or services, such as building and construction works. This has generated more competition for government contracts: on average, five bidders compete for every publicly tendered contract. Contracting authorities believe that this has delivered average savings of between 5 and 8% on expected costs. Goods and services bought after public procurement procedures constitute 17% of EU GDP. EU rules on public procurement have contributed to greater transparency in the awarding of public contracts. Over 150,000 contracts were advertised EU-wide in 2009.

However, there is still room for improvement. By 2012, the Commission will have put forward proposals for making public procurement greener and more innovative. Options to make economies of scale by testing trans-national public tendering with more than one Member State involved will be studied. The Commission will also look at ways to improve access to public procurement contracts for SMEs.



**Computer procurement reduces energy consumption in Sweden**



In Sweden, state procurement is carried out through framework agreements for large purchases across government agencies. Personal computer contracts, which amount to €250 million per year, are the single largest procurement contracts in Sweden. The procurement for computers includes strict requirements for energy performance and chemical substances. As a result, annual energy consumption is down by 3,750 MWh and Co2 emissions associated with computer use have fallen by an annual average of 26 tonnes compared to the last contracting period.

## **The external dimension of the single market (Action Nr 23 and 24)**

The EU is the largest exporter of goods and services in the world and one of the largest recipients of foreign direct investment. The single market should function as a solid base for European businesses, supporting their trade worldwide. It is important that our trade partnerships at international level are based on mutual interests and benefits. The EU needs to continue to be vigilant in its defence of European interests and jobs, and use all appropriate means to combat unfair trading practices. In general, the Commission believes that the adoption of more international rules would benefit both EU enterprises and global economic growth. The EU will also continue to push for more regulatory convergence with its trading partners at the G20 and in bi-lateral negotiations. In international public procurement the EU should work with a view to obtaining a level playing field for EU- and non-EU companies when competing for public contracts.

## European citizens at the heart of the single market - Regaining and building trust

*In order to regain confidence, Europe must reaffirm its commitment to a highly competitive social market economy and put European citizens back at the heart of the single market. A reliable social system, effective education and efficient public health systems form part of our European value system and have proved to absorb the worst effects of the recent crisis.*



### Improving Public Service and key Infrastructure (Action Nr 27)

The EU has to do everything in its power to safeguard that quality public services are adequately financed and universally accessible. Authorities in charge of public services need to know that they can continue to focus on meeting citizens' needs and the EU should assist them by offering an easy-to-use toolbox with the means to do so. The Commission will issue a Communication in 2011 which will give a detailed explanation of its plans.

The EU has already imposed public service obligations for economic sectors that were liberalized. Ensuring that services considered as essential to people's daily lives remain universally accessible will require a solid evaluation and ongoing appraisal of what happens on the ground.

Concerning public infrastructure, the EU's cross-border transport and energy systems are not sufficiently connected despite significant investment. State-of-the-art transport infrastructure is essential for sustainable development and growth. However, Member States still fail to coordinate their transport projects. In 2011, the Commission will revisit its plans for a pan-European transport system and propose a global framework for financing a better infrastructure.

The Commission will also identify priorities for improving energy infrastructure. Solutions need to be found to link networks and integrate renewable sources, following examples such as the North Sea wind project. More innovation is needed to find better solutions for energy consumption and efficient transportation. New financing is necessary to pay for investments worth more than €200 billion in the coming decade.

### Coordination for a better energy infrastructure

Large-scale renewable projects, such as the North Sea wind farm project, require coordination and massive investment. Success stories like this one create confidence, but that is not enough. Making sure that infrastructure is in place is a prerequisite to any successful alternative energy undertaking. Malta, for example, whose own renewable energy target is set at 10.2% by 2020, must coordinate with Italy in building a grid interconnector if it is to achieve this target by means of wind power. Spain and France must coordinate their grids in order to transport future wind and solar power produced in Spain to the rest of Europe. More needs to be done to achieve the scale that such





### The social impact of single market legislation (Action Nr 29)

Questions have been raised about workers' rights and their interaction with economic freedoms. The EU should find an appropriate response in line with the new Lisbon Treaty in which a highly competitive social market economy, with respect to fundamental rights, is a clear objective. The social impact of single market legislation should always be thoroughly analyzed and this legislation should be designed in a way that maintains the right balance between economic and social rights.

Free movement of services allows companies to post workers to another Member State. The Directive on Posted Workers provides a guarantee for the respect of posted workers' rights. The Commission will work further on this by issuing a legislative proposal in 2011 to improve the implementation of the Directive. National administrative procedures and double taxation should also be addressed, as they can complicate the posting of workers in another country, raising obstacles to the single market for services.

## Reform of the Professional Qualifications Directive (Action Nr 33)

The right to work and pursue an occupation in another Member State is a fundamental right under the Lisbon Treaty. It should be encouraged to enhance the efficiency of our labour market and to allow people to take more advantage of job vacancies in other countries. However, too often professionals are subject to long procedures for the recognition of their qualifications. The opportunities offered by the Professional Qualifications Directive are not being realized in full, so new legislation is needed. The Commission is evaluating current practice in order to consider, for example, the possibility of introducing a 'professional card' for certain professions. Possible changes to the Directive must keep pace with new developments in national education systems including back-to-work courses facilitating people's access to jobs.



### Professional cards for tourist guides?



Under the Professional Qualifications Directive, people wishing to provide a service in another Member State are often required to send in a prior written declaration, with documents enclosed to the competent authority in that Member State. The profession of tourist guide, for example, is a highly mobile profession that is affected by this requirement. In the context of the ongoing evaluation of the Professional Qualifications Directive, the Commission is looking at the possibility of introducing a professional card that would mean significantly less red tape. In this example, the individual tourist guide could prove the recognition of his/her qualifications on the spot.

## Promoting innovative social enterprise (Action Nr 36)

Europe has enormous potential for developing social entrepreneurship. The last decade has seen many innovative projects by individuals, foundations and big businesses, offering creative solutions to problems of social and economic exclusion. Projects improving access to healthy food, housing, health care, jobs and banking services have created win-win solutions for all parties concerned. The Commission will propose a new initiative to support the development of social enterprises by including social objectives in public procurement rules, promoting ethical and "green" labeling. It will also encourage banks and financial institutions to open up social investment funds and make use of dormant savings. To foster more cross-border action, the Commission will look at the possibility of European statutes for organizations that contribute to the social economy such as cooperatives and mutual societies and it will propose a regulation on the statute for a European foundation.

### Social enterprise in Germany

In Europe more than 1 in 5 people find travelling difficult due to old age, disability or reduced mobility. Simple tasks such as checking luggage or boarding a plane can be insurmountable obstacles to someone with a disability. A German travel agency has been catering to people with special needs in the travel business for over ten years. They offer guided tours to people with reduced mobility, such as those in wheelchairs as well as the visually impaired. The agency coordinates transport and assistance and books accommodation with accessible and flexible facilities.



### **Easier access to banking services, more transparency on banking fees (Action Nr 40)**

Consumers, particularly students, face problems with opening bank accounts in other countries, usually because they are non-permanent residents in the given Member State. Another problem in the banking sector is the current lack of transparency on banking fees. Complex fee systems prevent customers from comparing prices, so they cannot switch to banks where they might get better deals. Research on bank account fees shows greater price divergence in banking than in any other sector.

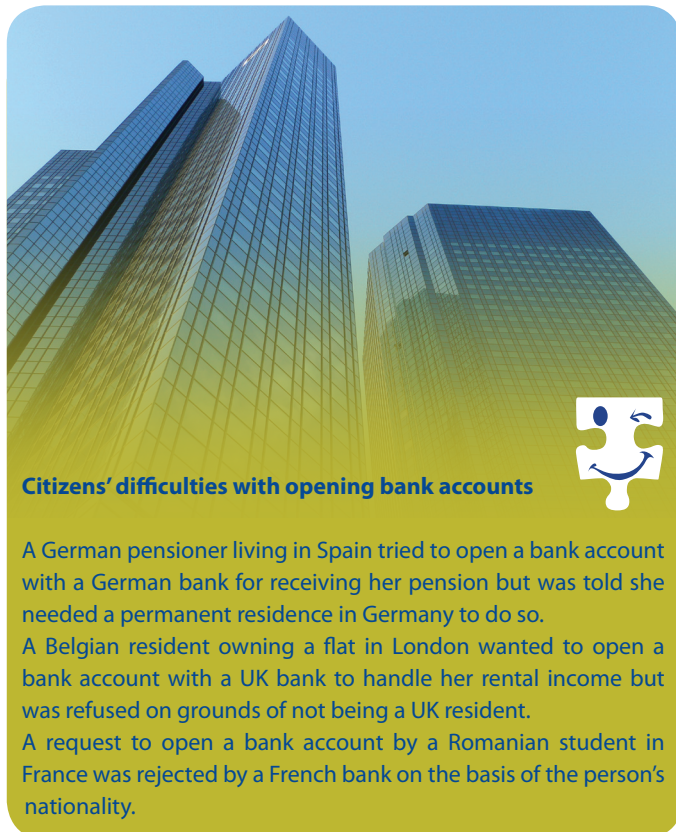
The Commission will address problems of access to current accounts in a legislative proposal on basic payment accounts at the beginning of 2011. The Commission has also invited the banking industry to come forward with plans for self-regulation on improving transparency in banking fees by the end of 2011.

### **A single market for mortgages with more consumer protection (Action Nr 41)**

Taking out a mortgage loan is one of the most important financial decisions in life, committing customers for twenty years or more. Current practice in mortgage lending could be improved. Irresponsible lending can have serious social and economic consequences for customers and society. There is a lack of transparency in mortgage markets, limiting consumer choice and confidence. Cross-border lending remains at a low level while administrative hurdles and extra costs are too high.

Despite their rights under single market rules, citizens are frequently denied credit when purchasing property inside the EU. Also, substantial divergence exists between Member States on prices and product choice and on the interpretation of regulation with respect to different clients (including non-banking clients and financial intermediaries).

The Commission will propose a Directive early in 2011 in order to create a truly integrated mortgage market.



**Citizens' difficulties with opening bank accounts**

A German pensioner living in Spain tried to open a bank account with a German bank for receiving her pension but was told she needed a permanent residence in Germany to do so.

A Belgian resident owning a flat in London wanted to open a bank account with a UK bank to handle her rental income but was refused on grounds of not being a UK resident.

A request to open a bank account by a Romanian student in France was rejected by a French bank on the basis of the person's nationality.

### **Resolution of conflicts, online and collective redress (Action Nr 46)**

We want consumers to feel at ease when making cross-border purchases. A prerequisite is knowing you can assert your rights in case of problems. A recent survey estimated a loss of €40 million borne by consumers whose cross-border purchase went wrong. Alternative dispute resolutions can provide easy, quick and low-cost solutions. However, neither consumers, nor businesses are sufficiently informed about existing options.

Particularly in cases of problems with financial institutions, consumers often have to go through expensive and heavy judicial procedures to get their rights recognized.

In 2011, the Commission will propose initiatives for alternative dispute resolution in the EU. The aim is also to establish a European system for online conflict resolution by 2012. To address the current situation in the financial sector, the Commission will adopt a recommendation to bring judicial costs down and simplify procedures for cross-border alternative dispute resolution. It will also draw conclusions on its consultation on collective redress and look at possible consumers' benefits when taking joint action.

## Dialogue, governance and the single market

*The goal of the Single Market Act is to propose a new framework for dialogue and reflection to meet the needs of all Europeans. The Commission's aim is to open the floor more to stakeholders in all corners of Europe, including those who up to now have sometimes felt excluded from discussions on single market policy.*



### Using new technology to make the single market work (Action Nr 45)

On an administrative level, good coordination is needed between the Commission and Member States. We should take advantage of new electronic tools and use them to simplify administrative procedures to become more efficient. Good practice already exists that could be multiplied elsewhere.

The 'Internal Market Information System' (IMI) is one such system, where an electronic exchange system helps administrations to understand and interpret legislation in other Member States when screening professionals and service providers wanting to work in their countries. Because of its success, the Commission is developing a strategy to expand IMI and its online tools to other sectors so that it becomes a real "face-to-face" network.

More generally, a partnership between the Commission and the Member States can improve the transposition of single market laws into national legislation. But enforcement still needs improvement. Beyond infringements, the Commission will look at alternative possibilities for conflict solving, such as through citizens' services like SOLVIT. Your Europe and the Europe Direct phone number will also remain important tools for citizens to stay informed about their rights.

Another successful working method that could be duplicated elsewhere is the 'mutual evaluation' system used by Member States, in partnership with the Commission, for the implementation of the Services Directive. Through an exercise of 'mutual evaluation', Member States share, compare and assess each other's reports on changes made to their national legislation to comply with the Services Directive.

### How IMI works

A Slovakian travel agent wanted to open a travel business in Hungary. In order to do so he had to draw up a declaration proving that he had the required professional qualifications. The Hungarian Trade Licensing Office, however, had doubts about his qualifications and wanted to verify them. They logged on to the IMI system and checked with their Slovakian colleagues, who on the same day could confirm his qualifications were recognised. The Slovakian travel agent could start immediately.





## 2010 Single Market Award goes to NGO “Grenzoffensive”

*On the initiative of the Commission and the EU presidency, an annual Single Market Award is given to people or companies who, by their own endeavours have made the single market work.*

*“The Single Market Award” is meant to show that the single market is not a theoretical concept but that it is something that is there in real life” said Vincent van Quickenborne, Belgian minister for economic affairs.*

Commissioner Michel Barnier and the Belgian EU presidency presented this year’s Single Market Award to “Grenzoffensive”, an organisation based in Linz, Austria. As the name suggests, Grenzoffensive works across borders on minimising administrative obstacles for workers and SMEs wanting to operate in the adjacent regions of Bavaria (Germany), Upper Austria, and Southern Bohemia (Czech Republic).

Grenzoffensive’s Robert Leitner and Ludwig Rechenmacher launched their initiative ten years ago, when they found the Single Market did not function for a 100% for those who wanted to trade with regions on the other side of their borders. They catalogued every possible difficulty, administrative or otherwise, and listed them on their

website in German and Czech in order to serve their clients, mostly SMEs. Clients now regularly attend their seminars and workshops or seek their personal advice on how to tackle difficulties.

An example of one of their beneficiaries is the Backaldrin bread company from Linz. This SME was able to extent its distribution and training network in the Czech Republic with the help of Grenzoffensive, who helped them to access structural funds and deal with heavy administrative burdens.

Awarding this years’ prize to Grenzoffensive will hopefully encourage other SMEs to exploit the single market’s full potential.



Crossing borders: winners came from Bavaria, Upper Austria and Southern Bohemia

# Confrontations with Commissioner Barnier on the Single Market Act



*On Thursday 18 November, Confrontations Europe, a European think tank based in Paris, organised a debate for its members and other interested parties on the Single Market Act (SMA). Attendance was impressive: 240 people from European umbrella organisations and national ones representing private and public sectors. The debate was lively and frank and paved the way for many of the other SMACT debates organised across Europe in the next few months.*

*As one of the first public debates after the launch of the Single Market Act on 27 October, the panel included Louis Grech MEP and Professor Mario Monti, both authors of recent important reports on the single market. Commissioner Michel Barnier was invited to present the Single Market Act, answer questions and close the debate.*

## A single market for citizens?

"How do we define the citizen?", asked Joachim Vannahme, European Affairs Director of the Bertelsmann Stiftung. "Do we mean the consumer, the worker or the man or woman running a small business?" No conclusive answers were produced to this fairly philosophical question. But further debates will undoubtedly ensue on this point as one of the Single Market Act's aims is to have "the citizen" at the heart of the single market.

Most participants agreed that to "fall in love with the Single Market" is not really what any citizen will end up doing. The SMA's more modest aim is to make citizens aware of the benefits the single market brings. For Philip Herzog, co-founder of Confrontations, this goal can be achieved by actively involving the citizen. For him, particularly the mobility of young people and citizens' day-to-day exchanges in the single market are key-factors for creating this ownership.

For former EU Commissioners Mario Monti and Lord Leon Brittan, answering the citizens' needs is a first priority. They believe all citizens are consumers and need to be given the best deal possible

with the single market functioning as an instrument. Mario Monti underlined the importance of strong competition. "Without competition, Europe would be the kingdom of cartels", he said. For Leon Brittan also, completing the single market and making it work at full capacity with full competition is absolute priority. According to Leon Brittan, emphasizing the single market's social dimension will not make it more popular, but removing the remaining barriers should be given priority. "Citizens are let down by not completing the single market" he claimed, referring specifically to Europe's unfinished digital and services markets.

Louis Grech saw a clear connection between the single market's unpopularity among citizens and the disappointment of Small and Medium Enterprises (SMEs). "We need to convince citizens the single market works for them and not the other way around; SMEs think it works against them", he warned. Paul Skehan, representing the European Retail Roundtable questioned whether it was all that important to have the single market visible to the citizen. Equating the single market to a GPS system, he remarked: "we don't really want to know how it works; we just want it to work".



Philip Herzog, President of Confrontations Europe

## Governance, single market rules and the democratic debate

Much disappointment was expressed with all levels of governance involved in the single market. Many blamed Member States for poor implementation of single market rules and reproached the Commission poor enforcement. Although the Single Market Act was seen by many as a serious attempt to re-boost the single market, some felt that the Presidents of the Commission and Council could have been much more prominent in leading it, especially when presenting it to the Member States. Questions were asked whether the launch of the SMA had been noticed at all at national levels. Mario Monti did not reassure when he said: "Nobody in Europe has perceived that this is a major political priority" while Philippe Herzog warned: "the participation of Member States is not a given. The condition for success is that everyone participates."

Some participants believed that a single market re-launch should have been much more of a coordinated effort at Commission level. They felt this could have led to more coherence in the overall strategy. Most participants, however, welcomed the opportunity to debate all single market issues over the next 4 months. Pascal Canfin, Green MEP, called it "the citizen's chance to make the single market their own".

## Single Market Act, a new deal?

Is the Single Market Act, with its mix of economic, social and environmental proposals close to the package approach that Professor Monti recommended? Will it bring the unitary vision and integrated approach that will consolidate a 'new deal' between Member States, one for which they will consider trade-offs and for which they will leave the comfort of their traditional beliefs in either the 'Anglo-Saxon' model or the predominantly 'social model'? Will Professor Monti's message: "Member States will need to be forced to accept a package that has bitter and sweet pills (...) not just a shopping list that politicians can opt in and opt out of" be internalised in the hearts and minds of European citizens?

Commissioner Barnier, the Single Market Act's main promoter, believes it will and encourages everyone to use the next 4 months to contribute to fine-tuning the 50 actions proposed to make the single market work for each and every European citizen. Michel Barnier closed the conference by addressing the citizens directly: "If we get you on board, by debating it democratically now, we are in a better position to enforce it afterwards".



Philip Herzog, President of Confrontations Europe and Louis Grech, MEP

# What is the European Business Test Panel?



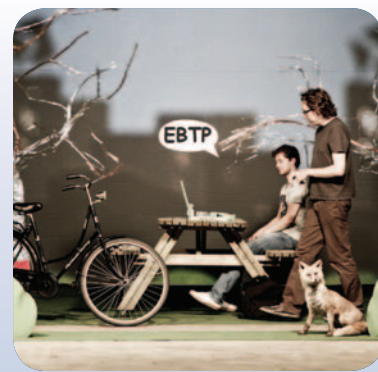
*The European Business Test Panel (EBTP) consists of individual companies from all over Europe, which are regularly consulted on policy initiatives of the European Commission. This is done through internet-based questionnaires that are easy to fill in. Any company can join the test panel. The Commission runs a maximum of eight consultations per year. Central to the EBTP is that members can reply in their own language. Participation in the EBTP is voluntary at all stages. Members themselves decide whether or not to participate depending on the topic.*

## Thinking of joining EBTP ? Read why others did...

**Joeri Pruys, Film Producer, The Netherlands**  
[www.roundhaygardenscene.com](http://www.roundhaygardenscene.com)

It is important that the European Commission knows what small companies like mine have to deal with. I want the Commission to know my views on the legislation that will affect my daily work in the future.

I like the EBTP because I don't need to read reports and it does not take long. Important for me is also that I can skip a consultation if I want to. So that it is not a burden when I don't have time or when I don't find a topic interesting.



[danielbaggerman.com](http://danielbaggerman.com)

**Michel Barnier**  
**European Commissioner for Internal Market and Services**

"The European Business Test Panel is an important link between Brussels and companies all over Europe.

Our European single market should make it easy to do business in Europe, whether you trade in your own country or with other countries inside or outside the EU. Rules are necessary, but they should serve to facilitate the lives of businesses, big and small. To improve our policies, we need to know your views. The EBTP is an excellent tool to make your views known."



**Daniel Rameau - Restaurant owner "La Rameaudière" (Ellange)**  
**President of Euro-Toques International, Luxembourg**  
**Luxemburg - [www.larameaudiere.lu](http://www.larameaudiere.lu)**

"As a defender of the European Culinary Heritage to the European Institutions and having been a restaurant owner for 30 years, I had no doubts about joining the European Business Test Panel. We are fortunate that the European Commission wants to collect our opinions on topics directly related to our business. It would be foolish not to participate.

Consultations can be an eye-opener. For example, I know much more now about debt-recovery since the EBTP consultation on that topic.

It is very easy to answer the questionnaires because the questions are clear and well laid-out. For me, in a nutshell, the EBTP is a good tool for us businesses to give our suggestions."

**Gudrun Waldenström, Sweden China Investment Platform AB  
Sweden**

"When I heard about the EBTP I thought that this could be a way to follow – at a distance – what is in the pipeline for small companies in the EU.

Consultations sometimes also trigger a deeper interest for a topic. I shared consultations I replied to with business colleagues and within my business association. If small companies are better informed we can improve our business as well as have a better influence on new policies!

The test panel is a good way to obtain direct input from smaller companies with limited resources."



**Piotr M. Sikorski, M D Freight Poland & Ukraine DHL Express  
Poland  
[www.dhl.com.pl/pl.html](http://www.dhl.com.pl/pl.html)**



"I joined the EBTP from the very beginning. To me, answering the questions is my personal contribution to the quality of legislation of the European Union in general.

The test panel is a very simple and cheap way to collect real information from businesses. Things look different depending on where you stand. The Brussels' viewpoints will often differ from those of businesses. If we do not provide our points of view we cannot be sure they would be considered in Brussels."

**Corinne Cahen  
Manager "Leo Shoes", President of the Commercial Union of the City of Luxembourg (UCVL)  
[www.leon.lu](http://www.leon.lu)**

"I am glad to have taken the opportunity to participate in EBTP consultations. It is a good way to give my opinion and share my daily experiences.

Apart from the relevance of the themes to my business, it is interesting to see what interests Brussels. As for most of the EU citizens, the EU policy is seen as far away from them. Joining the panel allows participating in it actively and influencing it.

The questionnaires are clear, precise and quick to complete. It's great too that they are available in all languages. I like that!"



**EBTP: A panel of individual companies regularly consulted on  
European Commission policy initiatives  
Their message to you:**

Companies should seize the possibility to shape the world they operate in.  
(Joeri Pruys)

If you do not express yourself, nobody will hear you.  
(Piotr M. Sikorski)

Welcome aboard! The bigger the panel and the more opinions we will get, the more we will benefit!  
(Daniel Rameau)

We are lucky: we can make ourselves heard. Do not let the opportunity pass!  
(Corinne Cahen)

Just join it – you have got nothing to lose!  
How else would Brussels bureaucrats know about the real impact that rules have on small companies?  
(Gudrun Waldenström)

Register online !  
<http://ec.europa.eu/yourvoice/ebtp>

# Stakeholders discuss Single Market Act with Jonathan Faull



*The Single Market Informal Dialogue Group met on Friday 17th November, with DG MARKT's Director General Jonathan Faull in the chair. The meeting was devoted to discussing each of the members reactions to the Single Market Act. All were appreciative of the opportunity to discuss the 50 actions proposed in more detail. Some had already consulted their membership base and came with clear positions; others were still in the process of formulating consolidated responses. All welcomed the initiative to bring all Single Market issues together in the Single Market Act and committed their members to take part in the public debate launched by Commissioner Barnier on 27 October.*

## Agreeing to differ...

As the Dialogue Group is marked by a diverse membership including business representatives, social NGOs, trade unions, the public sector and the banking industry, these meetings are not about reaching agreements, but more about being exposed to arguments not often heard in members' own constituencies. The multi-stakeholder composition of the group often gives rise to discussions on wider issues related to the single market, not only useful and informative to the individual members of the group, but also to DG MARKT, which established the informal dialogue group for this very purpose. The Single Market Act, with its comprehensive aim to bring the EU closer to the citizen and develop a highly competitive social market economy, provided a good subject for this exercise so that by the end of the meeting, members of the group would be aware of what they agreed to differ on.

## Social measures

Actions on developing social business, access to banking services and long term investment were welcomed by most organisations dealing with social issues. Some welcomed the changed tone the Commission has adopted with regard to social progress. Many felt the Single Market Act to be the logical source for bringing coherence to Services of General Interest.

Most welcomed the inclusion of more social measures in the Single Market Act, but some questioned the vagueness of some of the actions, particularly numbers 29 (respect for fundamental social rights) and 30 (posting of workers).

## The business dimension

Lively discussion was held on all actions that concerned businesses. It was felt that the Single Market Act could afford to be less 'timid' about the benefits of the single market. Business representatives argued that instead of drafting new legislation, the emphasis should shift to enforcement of existing single market rules. The application of the Services Directive was seen as a pressing need. Hence, recommendations were made for the Single Market Act to introduce

more targeted initiatives to make the single market work for services. Disappointment was expressed at the lack of ambition in setting a 0.5% transposition of legislation deficit target for Member States (action 47). The development of more information and informal problem solving tools was welcomed and more streamlining recommended.

It was seen as positive that the Single Market Act tried to open up single market possibilities for people at local level. But calls were made for the introduction of more concrete action in the final Single Market Act for financing of SMEs, going beyond providing more access to capital markets and on tax harmonisation measures.

Those representing smaller businesses were disappointed at the lack of vision for SMEs, including the suggestion that SMEs should aspire to become big companies. They were also opposed to ideas of legislation on Corporate Social Responsibility (action 38) and the initiative on the environmental impact of products, as these would represent extra burdens on SMEs for activities that they are mostly already performing.



Other ideas were also brought to the fore, such as a proposal for establishing European Rating Agencies, to have objective standards for ratings that include more “European standards”, rather than those from third countries that could be unfairly critical to European companies.

### Green measures

The environmental group regretted vagueness in footprint, transport, energy and corporate governance initiatives. Considering the climate crisis, the environment crisis, and the crisis in natural resources, they felt the Single Market Act should face up to new challenges.

### Benefits for Consumers

Consumer representatives made a plea for a stronger consumer focus, with consumers seen to be ‘buried’ as a subsection of the citizens chapter. In this sense, they felt the Single Market Act was weaker than President Barroso’s Political Guidelines, and the single market reports by Mr Monti and Mr Grech. Stronger ideas on collective redress, copyright, licensing would have been welcome, as well as ideas on a “European Consumer Test Panel”. Systematic Commission reporting on consumer benefits of EU legislation was seen to be mandatory for the new Single Market Act.

### The way forward

Other than discussions on individual actions, a more general discussion on the future of the single market ensued after everyone had had their say. Some felt the Single Market Act lacked an overall vision. In line with Mr Monti’s recommendations, they felt a wider package deal idea would be the optimal approach. Strong calls were made for a significantly strengthened vision on the digital single market including data protection, e-commerce, copyright proposals, and consumer rights enforcement.

Dialogue group members agreed that for nearly all areas, more concrete action was essential. Jonathan Faull closed the meeting reassuring participants that the 4-month public debate on the Single Market Act had been designed for this purpose: “The single market is absolutely necessary for more growth and more jobs and we do not have a lot of time. People have to feel the single market is theirs and that it works for their benefit. You have been given a unique opportunity to bring your ideas for more concrete action to the table”.



### ENTERPRISE & INDUSTRY MAGAZINE

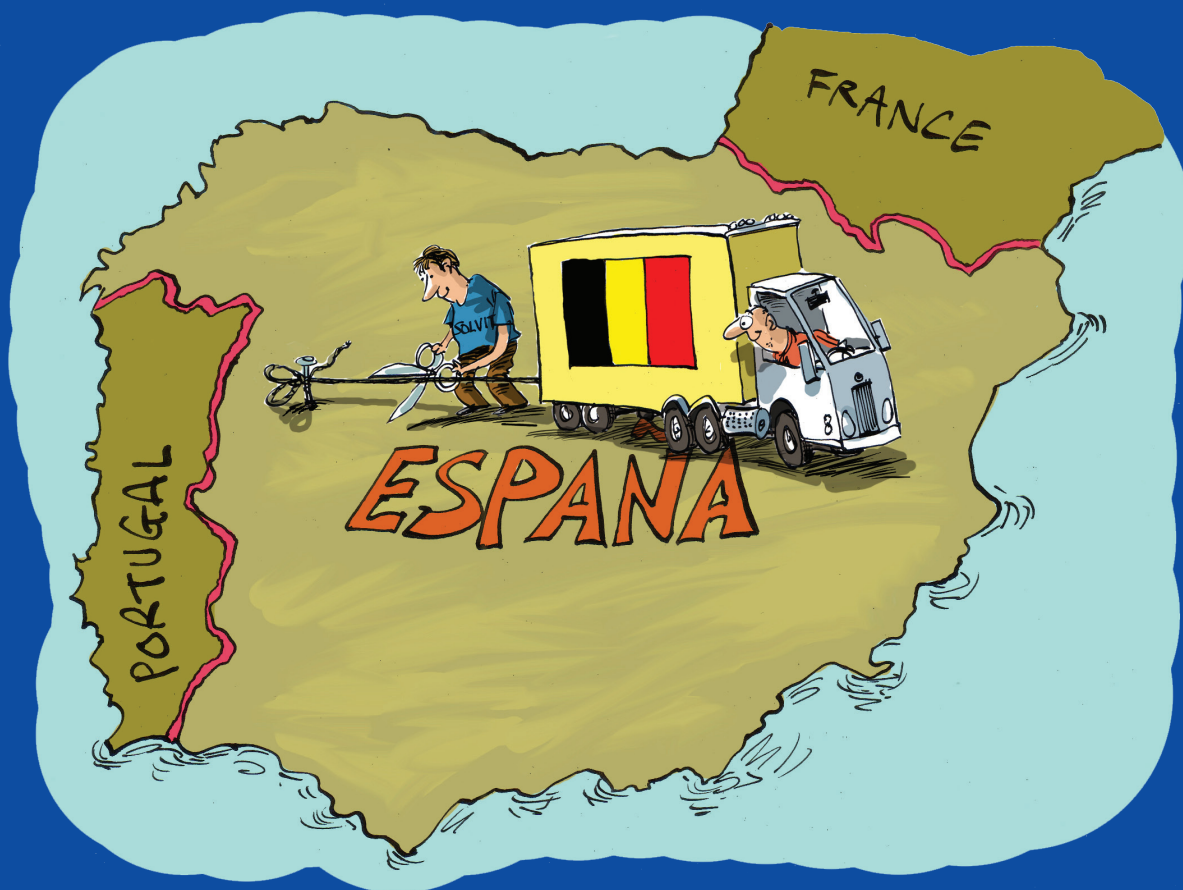
The Enterprise & Industry online magazine ([http://ec.europa.eu/enterprise/e\\_i/index\\_en.htm](http://ec.europa.eu/enterprise/e_i/index_en.htm)) covers issues related to SMEs, innovation, entrepreneurship, the Single Market for goods, competitiveness and environmental protection, industrial policies across a wide range of sectors, and more.

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## DG MARKT staff as single market “Ambassadors” to home countries

*On 27 October, the day the Single Market Act was launched, DG Internal Market and Services organised, in close cooperation with the European Commission Representations in the Member States, an envoy of its officials to their home countries. Their mission was to present the Single Market Act to compatriots. A total of 7 Member States were visited.<sup>1</sup> Audiences included ministries, government agencies, social partners, business associations, non-governmental organisations (NGOs), consumer and employer associations, trade unions, think-tanks, academia and journalists.*

With an average attendance of 50 people per country, organisers counted on the multiplier effect for spreading their messages. Participants were given a presentation on the single market, followed by an exposé on the main priorities of the Single Market Act, up for public debate until the end of February 2011. In addition, each audience was presented with economic data on the benefits of the single market for their GDP, trade flows, foreign investment and consumer rights.

Most get-togethers gathered speed as the question and answer-sessions were opened. Questions ranged from very general to purely practical and covered a wide range of subjects. The EU Patent was a pressing issue for many people. “What will be the advantage of an EU patent for me”, asked a Spanish entrepreneur, “why does the adoption need to be swift?” queried another. Someone in France felt that the Single Market Act talked too much about businesses and not enough about workers. A German participant wanted to know how the Single Market Act related to the Digital Agenda.

In Sweden, the audience felt that the Single Market Act needed to consider the perspective of small business more and also that the EU should be an open market for external trade with third countries.

In Poland they wondered to what extent the Polish presidency would prioritise single market issues. In all countries, participants expressed concern about the implementation of the Services Directive and asked when their expectations for real benefits would become reality.

DG MARKT will continue its Ambassadors programme and aims to eventually cover all 27 EU countries as the initiative has proved to be beneficial to both participants and Commission officials. By all accounts, audiences were very happy to have had the opportunity to have live debates about subjects concerning them. Dorota Lyszowska, , DG MARKT’s “Ambassador” to Poland reported: “Particularly in the case of complex packages of initiatives - such as the Single Market Act - it was really useful to have the opportunity to explain single market issues „face-to-face” to interested audiences in their own language. I hope it has made the proposals more concrete and real for stakeholders. It certainly was a great opportunity for us, Commission officials, to learn first-hand what people’s reactions and views were.”



<sup>1</sup> France, Germany, Hungary, Poland, Spain, Sweden and the United Kingdom.

# For your diary



## January: Single Market Act debates

**10 January: Single Market Act debate, Lisbon**

**13 January: Single Market Act workshop, Athens**

**26 January Single Market Act seminar, Brussels**

These events will be taking place during the month of January in the Member States as part of an ongoing EU-wide debate on the Single Market Act. Many of the events will be attended by Commissioner Barnier, while others are to be hosted by Commission Representatives and widely attended by members of the public and the press. The events serve to stimulate discussion among a wide variety of stakeholders on the issues they find most pertinent.

More information:

[http://ec.europa.eu/internal\\_market/smact/events/index\\_en.htm](http://ec.europa.eu/internal_market/smact/events/index_en.htm)

## 26-28 January: DG SANCO's 2nd International Conference on Risk Assessment

This conference, hosted by the Directorate-General for Health and Consumers of the European Commission, aims to provide a platform for global dialogue on risk assessment principles, methods, criteria, practices and arrangements in the various jurisdictions around the world. The conference is linked to the European Commission's Transatlantic Risk Assessment Dialogue with the US and Canada. It is the second in a series of international bi-annual conferences on risk assessment. The first conference took place 13 & 14 November 2008.

More information:

[http://ec.europa.eu/health/risk\\_assessment/events/ev\\_20110126\\_en.htm](http://ec.europa.eu/health/risk_assessment/events/ev_20110126_en.htm)

## 8 February: The Single Market: Time to Act Conference - Brussels

This conference organised by Directorate-General Internal Market and Services is for all stakeholders. It is a platform for discussing the 50 measures proposed in the Single Market Act before the public debate ends on the 28 February.

More information:

[http://ec.europa.eu/internal\\_market/smact/](http://ec.europa.eu/internal_market/smact/)

## 27 January: IMI and the Services Directive Conference

This conference will take stock of the results achieved thus far on the Internal Market Information System (IMI), an electronic tool enabling quick and reliable information exchanges between authorities in the different Member States. With more than 5000 authorities across the EU already registered, the conference will explore ways to deepen cooperation and will incorporate interactive sessions to generate a dialogue among conference attendees.

More information:

[http://ec.europa.eu/internal\\_market/imi-net/conferences/2010/27\\_01\\_en.html](http://ec.europa.eu/internal_market/imi-net/conferences/2010/27_01_en.html)

## 9-10 February: Financial Reporting and Auditing Conference

This high-level conference organised by the European Commission will address financial reporting and auditing in a two-part conference. A debate will be launched on how accounting standards in financial reporting can be applied consistently across the globe. The second day will reveal the first results of the Green paper on the audit market and will consider next steps. The conference boasts a number of high-level speakers and panels that are sure to stimulate lively debate.

More information:

[http://ec.europa.eu/internal\\_market/index\\_de.htm](http://ec.europa.eu/internal_market/index_de.htm)

### Info

To find out more on these and other EU-events, please consult the EU calendar on <http://europa.eu/eucalendar/>





# Infringements related to the Single Market

## About infringement procedures:

*The European Commission has powers to take legal action – known as infringement procedures – against a Member State that is not respecting its obligations under EU law. These procedures consist of three steps. The first is that the Member State receives a letter of formal notice and has two months to respond. In case the Member State does not entirely comply with EU legislation, the Commission can send a reasoned opinion. Again the Member State has two months to reply. If there is no satisfactory reply, the Commission can refer the matter to the Court of Justice in Luxembourg. It can also request that the Court impose a fine on the country concerned if it does not comply with the Court's ruling.*

### Germany

In a related waste disposal matter, the Commission has requested that Germany demonstrate compliance with a judgment issued by the Court of Justice for its role in breaching EU public procurement rules. The contract in question was concluded between the city of Bonn and a private company without a competitive tendering procedure, and Germany has so far failed to terminate the unlawful contract. According to EU law, Member States are required to take such necessary measures in order to demonstrate compliance with Court judgments. In the event that Germany does not comply within a two-month period, the Commission may opt to refer the case back to the Court and may also impose a fine or penalty for non-compliance.

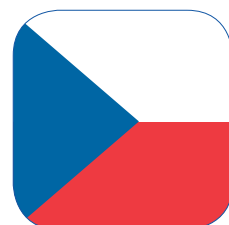


### Medical equipment: Greece referred to Court of Justice

Greece was referred back to the EU's Court of Justice for failure to apply EU rules on public procurement in contracts for supplies of medical equipment to hospitals. The Commission has said that Greece continues to be in violation of such rules and has not complied with a previous court judgment from March 19 2009. Greece is failing in its obligations under common safety standards for products as well as on public procurement by rejecting offers from suppliers of medical equipment bearing the CE marking. The CE marking is a mandatory conformity mark on many products circulating in the Single Market and certifies that a product meets EU consumer safety, health or environmental requirements. The Commission will ask the Court to impose stiff financial penalties for not acting on the first court ruling. Greece will be required to pay €7,173.06 per day beginning from the date of the original Court ruling until they comply, or until a second ruling is made. In addition, Greece will be required to pay €43,724.80 per day beginning from the date of the second Court ruling until such time as Greece complies with EU rules.

### Military transport aircraft purchases: Czech Republic referred to Court of Justice

According to EU law, public contracts above certain values are required to undergo EU-wide tendering. Certain exemptions are permitted in cases where military material is involved, since a public tender could jeopardize security interests of the Member State in question. In April 2008, the Czech Ministry of Defence awarded a contract for military aircrafts without a tendering procedure. Since the aircraft were to be used for Czech military missions, the €132 million contract was believed to be exempt from the tendering procedure. However, public procurement rules prevent a Member State from deviating from standard practice without demonstrable cause. In the Commission's view, the Czech Republic failed to adequately demonstrate that a public tender would have posed a risk to its essential security interests. Consequently, a closed awards procedure prevented competition in the European market and may have needlessly wasted taxpayers' money. In May 2009 the Czech Republic received a reasoned opinion, but as no satisfactory reply was received the Commission has decided to take the case to the Court.



More information on infringement proceedings relating to the Single Market is available at:  
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Subscriptions:

Brona Meldrum

European Commission

DG Internal Market and Services

Unit A4

SPA2 1/008

B-1049 Brussels

Fax +32 2 2954351

E-mail: [Markt-smn@ec.europa.eu](mailto:Markt-smn@ec.europa.eu)

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