

PRESENTACIÓN

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The original idea of the Single Market was to create a single, prosperous economic area, where people, goods, services and capital would move freely. Back then it was revolutionary. But since its launch in January 1993, these objectives are largely becoming a reality.

Today, the EU's economy is the largest in the world. And the Single Market is the foundation of this strength. It represents a home market of 500 million consumers, among the richest and most sophisticated in the world: for EU companies that want to grow and expand, this represents a launch pad to compete globally. For consumers, it means more choice and lower prices. The Single Market has created more jobs and more income across the EU than if it hadn't existed. A recent independent estimation shows that it results in an additional 4 per cent of EU GDP (almost €2,000 per capita)¹.

The Single Market policies on goods and services as well as other relevant policies such as people's mobility, energy, transport or digital issues to name a few, do not operate in a vacuum. They are part of a set of policies that reinforce its impact as well as the competitiveness and investment agenda. These include, for instance, the Framework Programme for Research, Horizon 2020, and the European Structural and Investment Funds aiming to reinforce the cohesion and convergence of the EU. Boosting lagging investment in the EU has also been a key consideration following the crisis, which the Strategic Investment Plan is doing with great success. And of course let us not forget the Euro. Yet all of these policies also only exist or find their «raison d'être» thanks to the very existence of the Single Market.

So, twenty-five years after its launch, we can definitely say that the Single Market is a success. But in practice, it needs constant maintenance. And a lot of its potential still remains untapped. Sometimes, the benefits on paper do not materialise in practice because rules are not known or implemented or they are undermined by other barriers.

We should not pretend that the Single Market today is operating entirely in line with the rules we already established. As the Commissioner whose service receives a stream of complaints every year about improper application of single market rules, I know only too well that there is a long way to go. For example, goods recognised as safe in one country are still too often blocked for administrative reasons in another. Service providers have a very hard time complying with excessive or outdated requirements when they want to offer their services elsewhere in the EU. Not all of this is justified by public interests concerns, to say the least. The temptation to protect national economic operators is strong. But it must be

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¹ <https://www.cesifo-group.de/DocDL/wp-2018-250-felbermayr-et-al-tarde-model.pdf>, p. 24.

resisted, because ultimately protectionism harms everyone: consumers who are limited in their choice, companies whose growth is hampered.

Protectionist barriers are in fact missed opportunities and we cannot let them undermine the full potential of the Single Market. It is estimated that completing the Single Market would bring potential economic gains of 651 billion to 1.1 trillion euros per year, equivalent to 5-8.6 per cent of EU GDP ².

That's why the Commission decided to give the Single Market a boost and in 2015 put forward the Single Market Strategy. The strategy addresses the weaknesses of the Single Market, targets areas where we should step up our efforts and aims to remove the main barriers that stifle the free movement of goods and services.

Free movement of goods is the most developed freedom within the Single Market. Trade in goods accounts for 75 per cent of intra-EU trade and around 25 per cent of EU's GDP. Despite the overall success, many obstacles in the Single Market for goods still remain and prevent citizens and businesses from making the most of it. To make it easier for companies, especially small and medium-sized enterprises (SMEs), to sell their products across Europe, the Commission has tabled legislative proposals to improve mutual recognition and enhance compliance with EU rules; and to step up enforcement against those who are trying to tilt the level playing field.

When it comes to services, the cross border provision of services is much less developed than intra-EU trade in goods. Even though services represent two-thirds of the EU economy and create 90 per cent of new jobs, the share of intra-EU trade in service is still only about 20 per cent. So the Commission decided to give the services sector a fresh boost. Rather than amending existing EU rules in this area, we want to ensure that they are applied better and more consistently. So we proposed to make it easier for services providers to navigate administrative formalities when they want to go to another country, and to help Member States identify overly burdensome or outdated requirements on professionals. We are already making progress with the European Professional Card —a procedure introduced in 2016 that makes it easier for a number of professions to provide services where their professional skills are needed.

A substantial part of investment in our economy is spent through public procurement, representing 14 per cent of the EU GDP. Procurement is a powerful tool for spending public money in an efficient, sustainable and strategic manner to ensure high-quality services and goods for citizens. Public procurement is about investment opportunities, jobs and growth. Therefore, the Commission has also put forward a new Public Procurement Strategy. Its aims, among others, at increasing investment opportunities for companies from across the EU by prioritising wider access to procurement markets, increased cross-border procurement and SMEs participation.

To deliver on the 2015 Single Market Strategy the Commission has also put forward measures for improved protection of intellectual property rights, proposals on e-commerce,

² [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU\(2014\)510981](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU(2014)510981)

guidance on the collaborative economy, steps to modernise the EU's standardisation policy, and steps to enhance compliance and practical functioning of the EU Single Market. Complementary policies such as tax policies, environmental and consumer protection, investment in interconnecting infrastructure, and the overdue structural reforms should be reinforced and work more for the benefit of the EU companies and citizens.

Finally, we know that in the past many companies decided to move their business outside Europe to get the funding they needed to scale up their activities. To change this trend we have introduced the Start-up and Scale-up Initiative, pulling together all the possibilities that the EU already offers and adding a new focus on venture capital investment, insolvency law and taxation. And we see the trends changing. More and more researchers are deciding to start-up and grow in Europe, also thanks to the financial support available from multiple private and public sources. The Pan-European Venture Capital Fund-of-Funds programme that the Commission launched recently will help address the issue and give our high-potential businesses the support they need to become global success stories. It will complement the unprecedented effort the EU is making to stimulate the economy and unlock investment, in particular via the Investment Plan for Europe.

