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Services Directive: the European business perspective on implementation

**Seminar at the Czech Permanent Representation to the EU
on the Services Directive**

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Not yet a real single market in services

- Services in Europe: 70% GDP and about two-thirds of employment;
 - 9 out of 10 new jobs are created in services sectors;
 - 30% of exports are services.
- Services: only 20% intra-EU trade
- Why? Too many barriers created by
 - ✓ divergent national, regional and local laws
 - ✓ administrative obstacles: quantitative restrictions, prior authorisations, etc.
 - ✓ lack of confidence between Member States and protectionist tendencies



Aim of the Services Directive

- Create a genuine internal market for services
- Great potential of the directive to:
 - foster cross-border services trade
 - facilitate establishment abroad

The Single Market Act (SMA): addresses the great potential for fostering cross-border service provision

Estimated potential gains of from high quality and complete implementation:

- Between € 60 billion and € 140 billion, representing a growth potential of between 0.6 and 1.5% of EU GDP



How?

- Simpler and more common rules:
 - ✓ simplification of national requirements
 - ✓ transparency on national systems
- Fewer formalities and better information:
 - ✓ point(s) of single contact, easier information and speedier formalities
 - ✓ electronic procedures
- Administrative cooperation:
 - ✓ trust and assistance between authorities



Time for Assessment

Almost 1 year after the transposition deadline

Context:

- Upcoming Commission report on “Mutual Evaluation Process”
- The European Parliament’s report

Now: assess created opportunities and benefits for companies: the users of the directive!

- BUSINESSEUROPE questionnaire
- 29 member federations involved
- Comparative report on implementation by January 2011
 - Focus: results on the ground, functioning of PSCs



Implementation: preliminary findings (1)

- Complete screening is the basis for administrative simplification:
 - Overall, screening by the Member States qualified as **satisfactory** or **very satisfactory**: especially the scope of the screening
 - Members experience reductions of administrative burden
 - When fully implemented: a **considerable** or **heavy** reduction of administrative burden is expected



Implementation: preliminary findings (2)

- Fundamental: The Points of Single Contact (PSCs) must respond to the needs of its users: companies and in particular SMEs
 - Most MS have put in place “*first generation*” electronic PSC
 - Some PSCs charge companies for their services
 - PSC services are often available in only 1 language apart from national languages(s) which is English
 - However: companies experience that the main portal is English, but linked websites are not translated.
 - Information is English, but required forms are in most cases only available in the national language(s)
 - The interconnection between websites municipalities is often poor



Implementation: preliminary findings (3)

Efficiency of electronic and physical PSCs:

- Czech Republic (for **electronic** PSC after 6 months):
981 information requests, more than 29.000 web portal visitors. 30% of requests from foreign operators.
- In Sweden (for **physical** PSC): 53 questions were submitted, only 5 from foreign companies.

→ **Companies want electronic PSCs** that offer complete and accurate information and the opportunity to complete necessary procedures online **at distance**.

→ PSCs need to be more recognizable and well-known by service providers via information campaigns in cooperation with business organisations.



Our recommendations for the PSCs

- Offer PSC services in more foreign neighboring languages and ensure sufficient deepening (use of foreign languages beyond the main portal page)
- Enhance information provision on all relevant procedures covering all services sectors
- Provide services free of charge
- Increase availability of procedures for electronic completion
- Enhance cross-border accessibility (e.g. interoperable e-ID, e-signatures)
- Tax information not covered by PSCs: add links to tax authorities



Information and communication

- Most SMEs are still unaware or insufficiently informed about the Services Directive and the advantages and opportunities created for them.
- Many companies are unaware of the existence of the PSCs.
- Most members consider the promotion of the directive by their government to be **inefficient** or even **poor**.



Information and communication

- A well-targeted information and communication campaign is essential. Relevant authorities should:
 - Use a wide range of media (TV, radio, newspapers, etc) targeting citizens and companies, particularly SMEs.
 - Provide easy-to-understand guidance and information in the form of handbooks, brochures, etc.
 - Organise more expert meetings, conferences and seminars on the implications of the Services Directive.
- **On Monday 31 January:** BUSINESSEUROPE and EUROCHAMBRES joint event on the services directive in the European Parliament.
- At the event, BUSINESSEUROPE will present its full report on its evaluation of the implementation of the directive.



Thank you for your attention!

Questions?

**More information on the
Services Directive at:**

<http://www.business europe.eu/>

