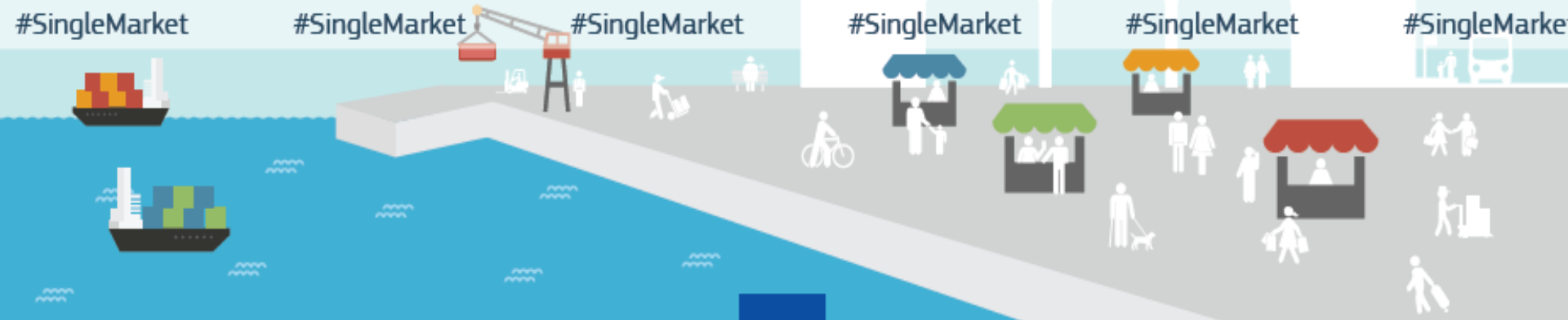


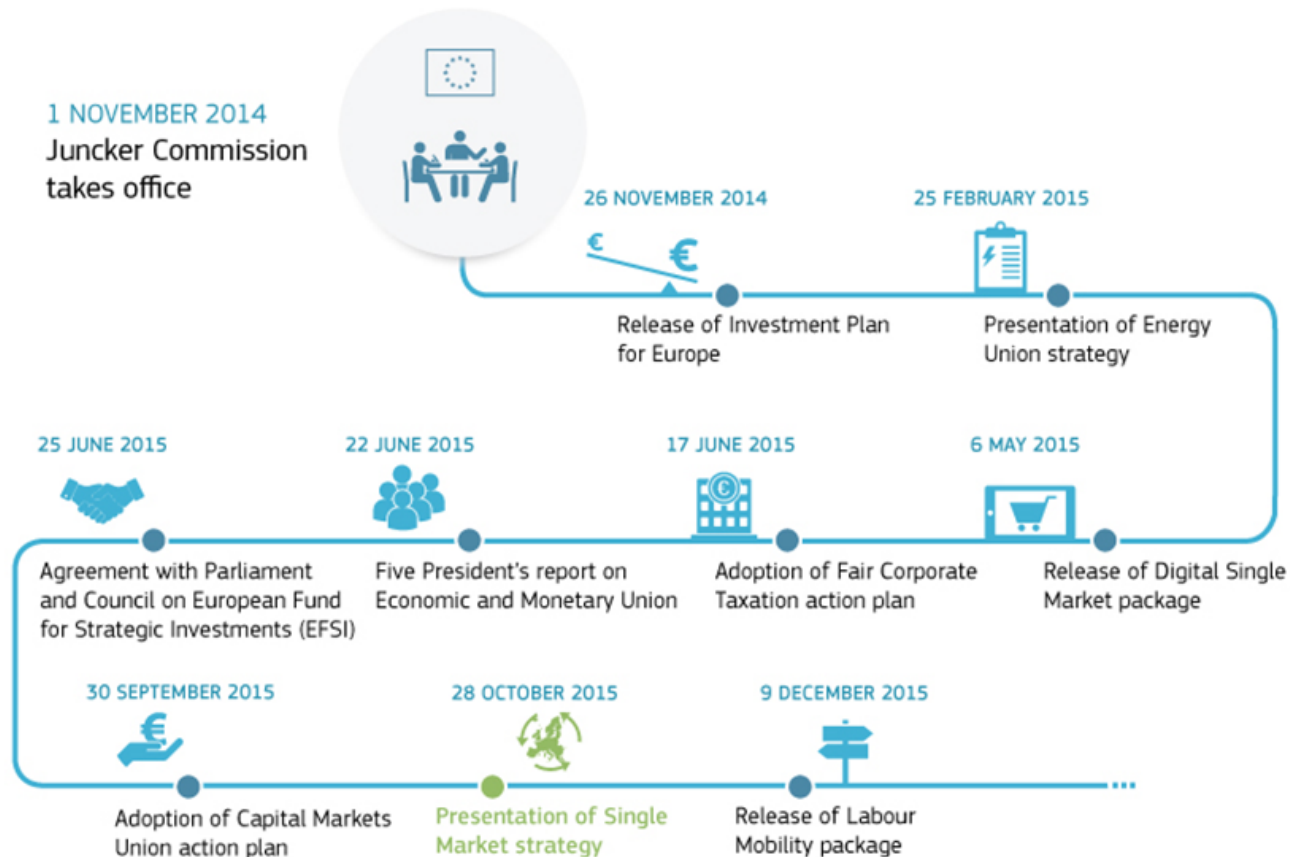


A deeper and fairer Single Market



BRIEFING ON THE SINGLE MARKET STRATEGY
Prague, 24/11/2015

Context: the Juncker Commission



The Single Market Strategy is made up of targeted actions in three key areas:

- **creating opportunities** for consumers, professionals and businesses;
- encouraging and **enabling the modernisation and innovation** that Europe needs;
- **ensuring practical delivery** that benefits consumers and businesses in their daily lives.

Creating opportunities

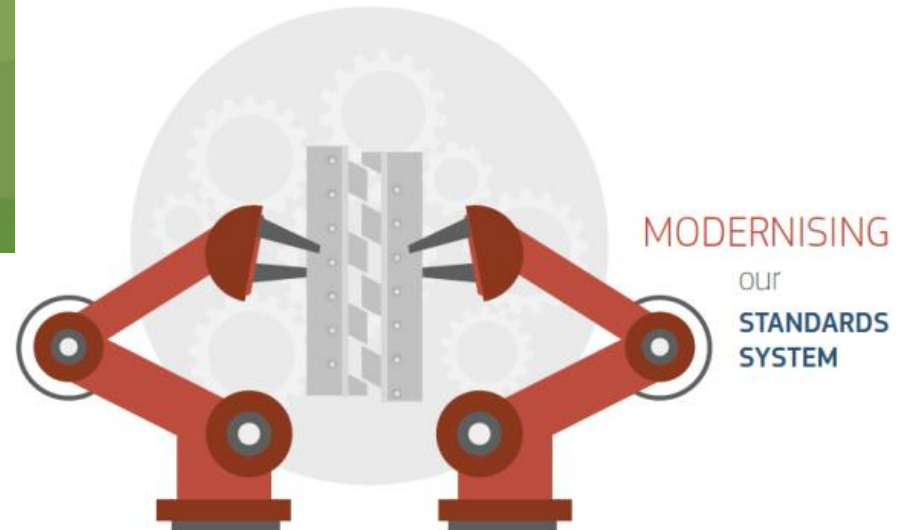


Creating opportunities

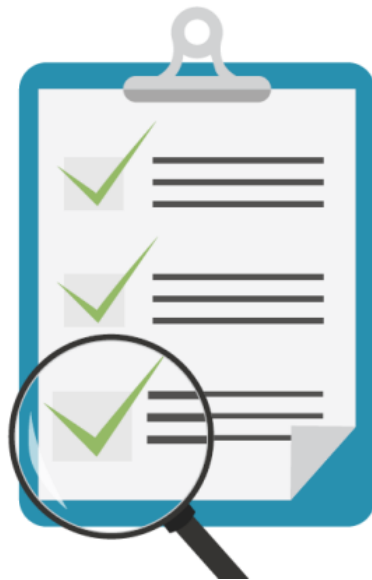


Enabling modernisation and innovation

MORE TRANSPARENT,
EFFICIENT
and
ACCOUNTABLE
PUBLIC PROCUREMENT



Ensuring practical delivery



A CULTURE OF
COMPLIANCE
and
SMART
ENFORCEMENT



Creating opportunities

Enabling the balanced development of the collaborative economy

Happening in Europe:

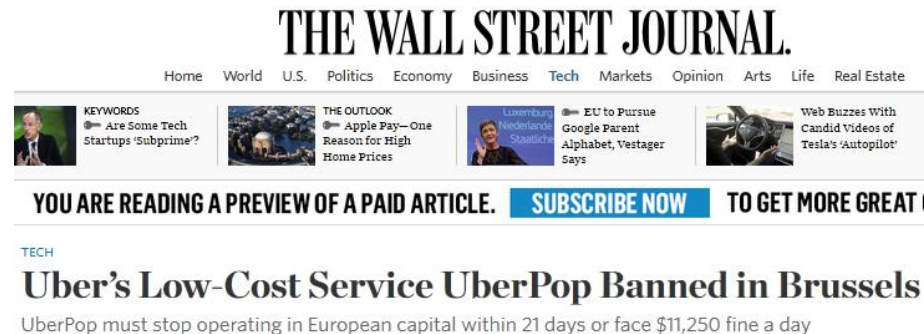
On Sep 24 a court has ruled to suspend UBER in Brussels. This has led UBER to start a petition online. This petition has been signed by more than 25.000 people

Why it matters:

Potential revenue of 335 billion USD by 2025 (says PwC)

What we will do about this:

2016: Guidance on how EU law applies to collaborative economy business models



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Uber's Low-Cost Service UberPop Banned in Brussels

UberPop must stop operating in European capital within 21 days or face \$11,250 fine a day



Around 1,000 taxi drivers protested in Brussels, Belgium and drivers from France and across Spain joined in the demonstration against smartphone-based taxi services including Uber Inc. on September 16. A Brussels commercial court banned Uber's controversial low-cost service UberPop in the European capital on Thursday. PHOTO: ZUMA PRESS

Helping SMEs and start-ups to grow

Happening in Europe:

- In 2014, Mathilde Collin, a French entrepreneur, could not raise the required capital (\$1.2 million) for her collaborative email app in Paris or London.
- She then moved to California to participate in a three-month program for tech start-ups.
- At the end of it, she tried again unsuccessfully to get funding from EU venture capitalists.
- She then turned to American ones and was very successful.
- Her company raised \$3.1 million from U.S. investors.
- After this, she also obtained \$400,000 from European investors.
- Her company is now based in San Francisco, has 500 business users, and expected to have \$1 million revenue this year.



Helping SMEs and start-ups to grow

Why it matters:

Start-ups are net job creators but only 60% survive 3 years (says OECD)

What we will do about this:

2016: VAT Action Plan

2016: Legislative initiative on business insolvency, including early restructuring and second chance

2016: Start-up initiative

2017: Initiatives to facilitate the use of digital technologies throughout a company's lifecycle and cross-border mergers and divisions



Making services single market a practical reality

Happening in Europe:

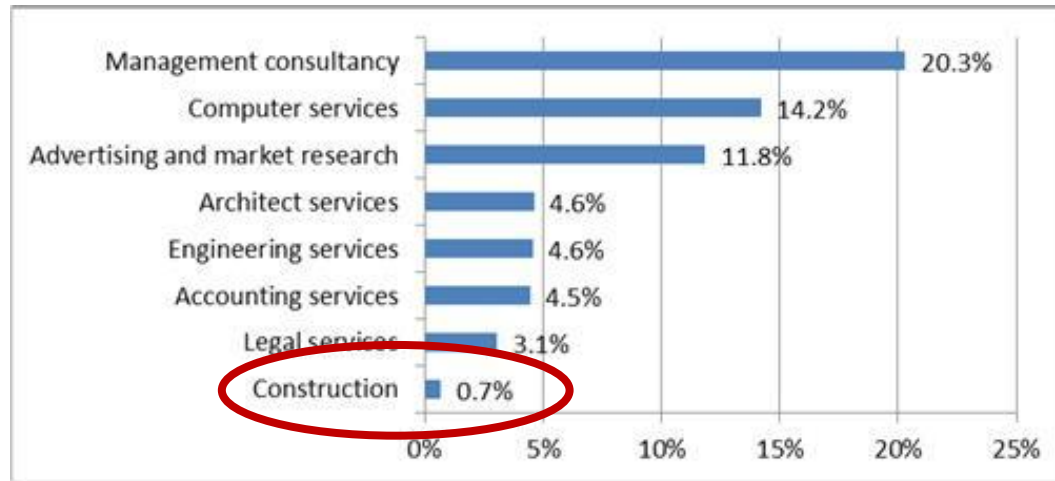
- In 2010 a British construction company was awarded a building contract in Toulouse.
- Their services were subject to the French rules on mandatory liability insurance.
- No UK insurance company was able to provide this type of insurance.
- Neither was the British construction company able to buy such a policy from French insurers because it was not established in France.
- After 5 months during which the British construction company tried to secure liability insurance for the project, the client decided to award the project to a French company at a much higher price.



Making services single market a practical reality

Why it matters:

Indicator of cross-border trade intensity,
Source: Eurostat, Commission
assessment



What we will do about this:

2016: Legislative action to address targeted regulatory barriers in key business services and construction services

2016: Legislative initiative to introduce a 'services passport' for key sectors of the economy such as construction and business services

Modernising the regulation of professions

Happening in Europe:

- Greece reforms resulted in lower prices for consumers of services of real estate agents, legal professions, accountants, tax consultants and physiotherapists which were liberalised by the reform enacted in 2011.
- The number of start-ups for notaries, auditors, tourist guides and chartered valuers has more than doubled in 2014 compared with the yearly average before the liberalisation.

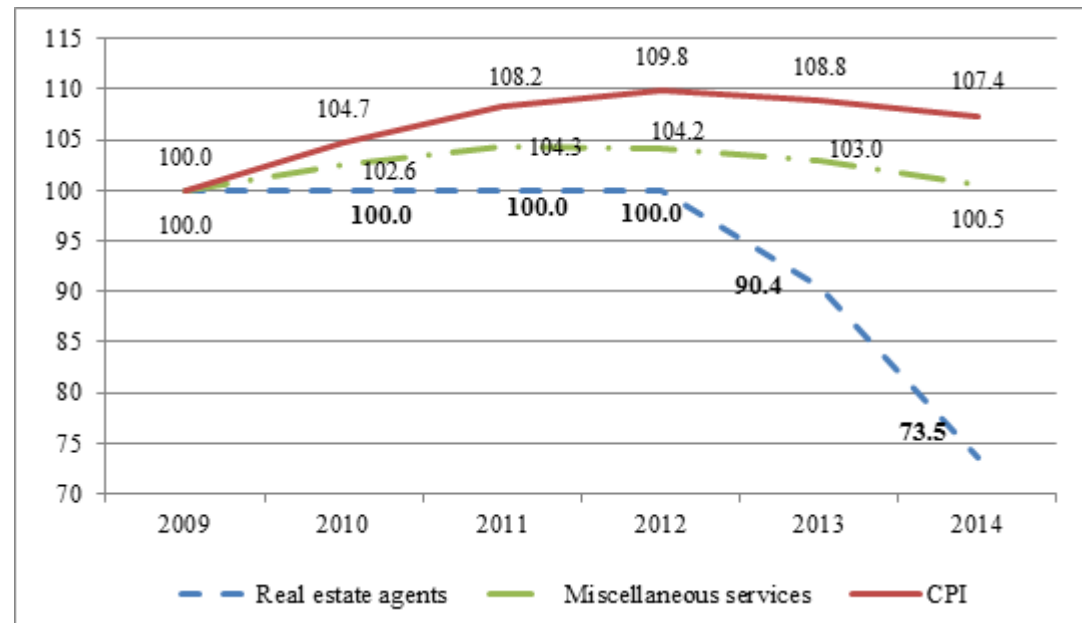


Modernising the regulation of professions

Why it matters:

The evolution of the Consumer Price Index for real estate agent services (liberalised in 2011), Greece, 2009-2014, (base year 2009=100)

Source: ELSTAT (2015)



What we will do about this:

2016: Guidance on reform needs for Member States in regulation of professions

2016: Analytical framework for Member States to use when reviewing the existing or proposing additional regulation of professions

Addressing restrictions in the retail sector

Happening in Europe:

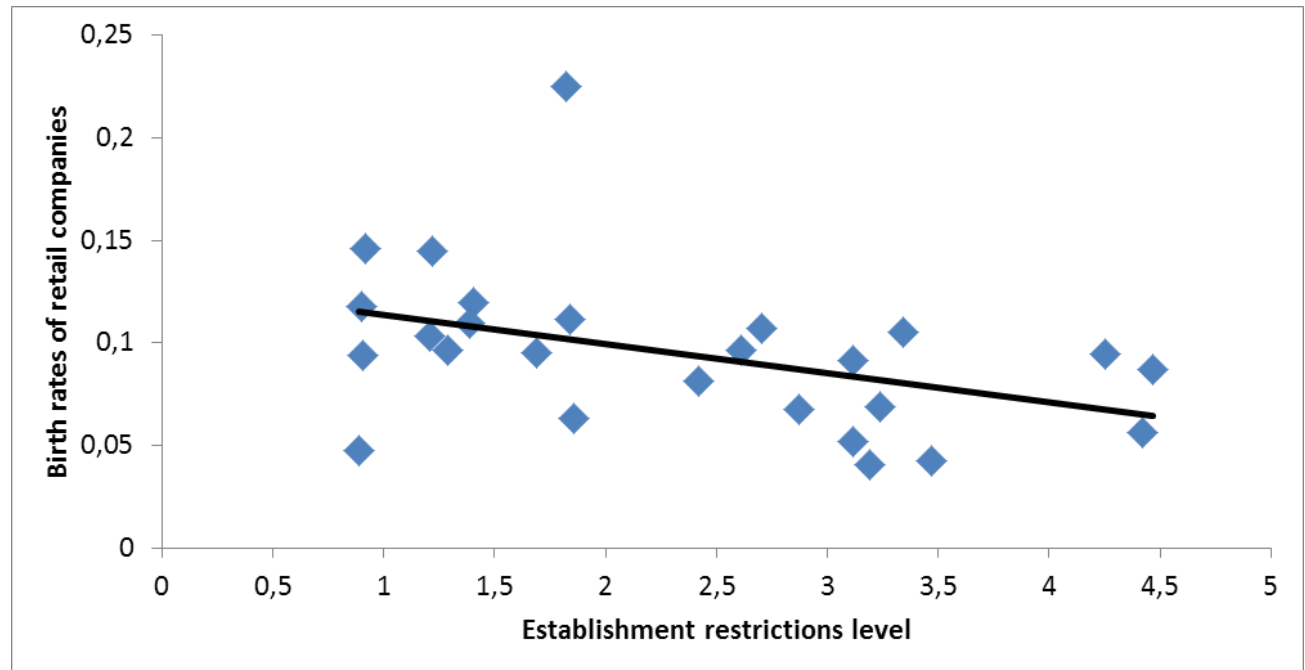
Since 1986, Decathlon has been able to open 21 stores in Germany, compared to 99 in Spain. IKEA would like to open 20 new stores in Germany by 2020 yet it estimates that 10 to 12 of these stores will not be opened.



Addressing restrictions in the retail sector

Why it matters:

Source: Eurostat, Commission analysis



What we will do about this:

2017: Communication: best practices to facilitate retail establishment and reduce operational restrictions

Preventing discrimination of consumers and firms

Happening in Europe:

EuroDisney package:

France: €1,346

UK: €1,870

Germany: €2,447

Why it matters:

Against the very idea of the Single Market. Lower consumer trust and greater reluctance to shop cross-border, be it in person or online. Lost opportunities for businesses and for the European economy.

What we will do about this:

Mid-2016: Legislative action to prevent discrimination against consumers based on nationality/residence



Enabling modernisation and innovation

Modernising our standards system

Happening in Europe:

In the security services sector, there are different service standards in numerous Member States (e.g. UK, France, Germany and Czech Republic). European standards are being developed for certain areas of security services and initiated for other (e.g. services for fire safety systems and security systems). Such standards are planned to cover elements such as planning, design, installation, maintenance and repair of relevant products and systems.

Why it matters:

DIN estimates that in Germany alone, standards generate up to €17 billion a year.

What we will do about this:

2016: Joint initiative on Standardisation

2016: Dedicated guidance on service standards

Better governance in public procurement

Happening in Europe:

The Brunner Base Tunnel is a cross-border 55 km railway section of the European Priority Project 1 linking Munich to Verona.

Project lost time through numerous litigation procedures, which could at least partially have been avoided, if the Commission had been involved in evaluating the compatibility of the procurement procedures with EU law.

In January 2010 the total estimated cost of the project was €7,460 million, on 1 January 2013 it amounted to €8,756 million.

Although it is difficult to estimate how much was due to public procurement difficulties and the delay in the authorization process, EU contributions were reduced from €593 million to €151 million.



Better governance in public procurement

Why it matters:

A project worth EUR 10 billion which would, for some reason, be delayed in its implementation by 2 years could generate additional costs of more than EUR 600 million considering only two factors: opportunity costs on the financial market (EUR 400 million) and inflation (EUR 200 million).

What we will do about this:

2017: Public procurement: voluntary ex ante assessment mechanism for large infrastructure projects

2017-2018: Initiatives for better governance of public procurement through the establishment of contract registers, improved data collection and a networking of review bodies

Consolidating Europe's intellectual property framework

Happening in Europe:

- Some medicines have a supplementary protection certificate (SPC)
- SPC protects the patent for additional time (up to 5 years)
- EU-based manufacturers are not allowed to produce in MS during SPC
- Manufacturers based in third-countries where SPC protection does not exist (e.g. BRICs) do so and enter market on the day of expiry

Why it matters:

- Global spending is expected to shift toward generic medicines, from 27% in 2012 to 36% of the total sales by 2017.
- An SPC manufacturing waiver could create thousands of high-tech jobs in EU
- Otherwise they might move production outside the EU

What we will do about this:

2016-2017: Initiatives to modernise the intellectual property rights (IPR) framework, including a review of the EU IP enforcement framework

Ensuring practical delivery

A culture of compliance and smart enforcement

Happening in Europe:

The average duration of infringement proceedings is 29.4 months...

Why it matters:

- Effective compliance is essential to deliver the opportunities and benefits of the Single Market.
- In mid-2015, around 1 090 infringement proceedings were pending in the area of the Single Market.
- In addition, many people and companies are still unaware of the possibilities available to them with regard to having their rights respected.
- All this weakens the Single Market and lowers people's confidence.

What we will do about this:

2016: Proposal for market information tools allowing the Commission to collect information from selected market players

2017: Data analytics tool for monitoring Single Market legislation



Reforming the Services Directive notification procedure

Happening in Europe:

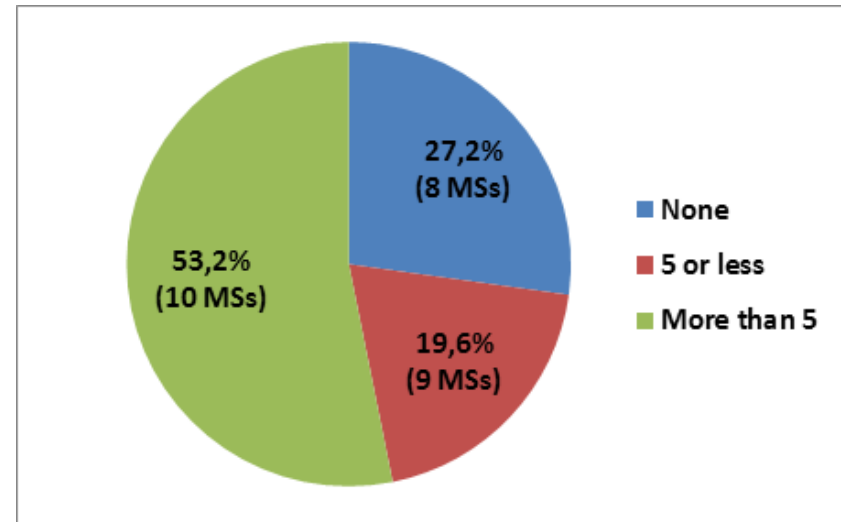
- Member States must notify to the Commission any new or changed legislation
- Procedure is not working properly
- The Commission is therefore not sufficiently informed of new restrictions when they are introduced

Why it matters:

- Lengthy infringement cases on measures which are already introduced
- Burden on national administrations and a negative business environment
- Better notification procedure, these restrictions could have been tackled earlier

What we will do about this:

2016: Legislative proposal modelled on the successful features of the current notification procedure for goods and information society services



Strengthening the Single Market for goods

Happening in Europe:

- Energy drinks lawfully marketed in one MS "illegal" and dangerous in others
- No EU-harmonised rules for Energy drinks/Food supplements
- Food complements in one MS, but medicinal products in another MS
- They could present ingredients not contemplated in the "positive lists" of the country of destination
- Contain levels of vitamins beyond the legal threshold of the MS of destination.

Why it matters:

- negative business environment
- weakens the Single Market and lowers people's confidence

What we will do about this:

2016: Action Plan to increase awareness of the mutual recognition principle

2017: Revision of Mutual Recognition Regulation

2016-2017: Comprehensive set of actions to further enhance efforts to keep non-compliant products from the EU market (including a possible legislative initiative)