



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 25 May 2012

10442/12

**COMPET 321
MI 378**

NOTE

from: The Presidency
to: Council (Competitiveness)

Subject: PRESIDENCY DISCUSSION NOTE FOR THE LUNCH DEBATE OF THE
COMPETITIVENESS COUNCIL (INTERNAL MARKET AND INDUSTRY),
30 MAY, 2012

Delegations will find in annex a discussion paper by the Presidency with a view to stimulate and structure the lunch debate on *the Single Market as a driver for growth and jobs* of the Competitiveness Council (Internal Market & Industry) on 30 May 2012.

**PRESIDENCY DISCUSSION NOTE FOR THE LUNCH DEBATE OF THE
COMPETITIVENESS COUNCIL (INTERNAL MARKET AND INDUSTRY),
30 MAY, 2012.**

- The Single Market as a driver for growth and jobs – what should be the priorities for the Single Market Act II?

In these times of recovery from economic crisis, the Competitiveness Council has an important role to play in paving the way for jobs and growth in the EU through concrete results.

The economic crisis has brought with it a focus in Europe on financial stability and ensuring the viability of public budgets. These measures are crucial in order to ensure the future health of the European economy.

For Europe to exit the economic crisis and avoid a protracted period of low growth or even stagnation, financial stability and austerity measures must be complemented by growth-enhancing structural reforms. This is the objective of the Europe 2020 Strategy and its European Semesters endorsed by the European Council, including at its informal meeting European Council on May 23rd, and the underpinning rational of the National Reform Programme each Member State is working on. Europe needs to use all the possibilities of the Single Market to exploit its untapped potential to create new sources of growth and jobs.

The Single Market is still the core economic driving force of the European Union. It also remains our most effective means of responding to the current economic crisis. Its growth potential has not yet been fully exploited, despite the progress made since it was created in 1992. Furthermore, societal and technological developments will pose further challenges whose growth potential the European Union must anticipate while also focusing on the most effective ways to prevent or address fragmentation.

In order to ensure continued economic growth and job creation in Europe through the development of the Single Market, the Commission presented the Single Market Act (SMA), encompassing 12 levers to boost growth and strengthen confidence.

The European Council has stressed the need to give particular priority to the speedy examination of proposals having the most growth potential and the need to swiftly adopt these measures. We have made significant progress on a number of the key initiatives in the Single Market Act. The speedy examination of the 12 key SMA proposals should continue to allow for their swift adoption, by the end of 2012 and in time for the 20th anniversary of the single market. Ensuring that the EU embarks on a determined growth path, which supports the sustainable development of the European economy must continue to be our primary aim.

There is still more work to be done in order to re-launch the Single Market, and thereby ensuring optimal conditions for businesses, consumers and citizens – and for bringing about future growth.

European level initiatives can complete the integration of the European market and the smooth free movement of goods, services, capital and people. New legislation as well as the removal of administrative obstacles and improved enforcement can lead to a more full exploitation of the potential of the Single Market. This is why the Commission will present a Single Market Act II in September. The Single Market Act II must provide real added value for the businesses, consumers and citizens of the Single Market and ensure that Europe can stay at the forefront of the global competition.

The Presidency therefore wishes to give Member States the opportunity to provide input and valuable guidance on what should be the priorities for this next round of measures. This can help ensure that the initiatives tabled are in the end implemented, applied and enforced in a timely and correct manner in order to bring real benefits to Europeans. That is why it is important that new proposals are supported by stakeholders and citizens and address the needs and barriers identified by end-users.

In the Presidency Synthesis Report on the Annual Growth Survey, the Competitiveness Council agreed that three overall issues were crucial at both European and national level:

- **Promoting competitiveness and sustainable growth** by implementation and governance of the Single Market legislation, moving towards a more sustainable and resource efficient economy when laying out future industrial policy, focusing on smart regulation, improving competition in specific sectors and enabling a true Digital Single Market.
- **Access to finance** by addressing relevant credit crunch problems, making existing possibilities more visible and reducing red tape for accessing them.
- **Modernising the public administration** by keeping the focus on SME's and end-users when removing unnecessary burdens and enhancing the use of digital solutions in the public administration, including streamlining access to and communication with the public administration.

These issues can serve as an inspiration for the forthcoming work regarding the Single Market Act II and measures to be taken at the European level in order to enhance growth.

Focusing on remaining bottlenecks and barriers to be addressed and new areas of growth to be opened up, can work towards the completion of the Single Market on the eve of its 20th anniversary.

Questions for discussion:

1. *The European Council has welcomed the Commission's intention to propose a new round of measures designed to open up new growth areas in the Single Market. What are the 3 primary challenges facing Europe as regards the creation of growth?*
2. *What concrete actions should be included in the Single Market Act II?*