



**COUNCIL OF  
THE EUROPEAN UNION**

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from: General Secretariat of the Council  
to: COREPER/COUNCIL

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Subject: Draft Council Conclusions on Deepening of the Single Market  
- Services in the Internal Market and market monitoring -

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Delegations will find attached Draft Council Conclusions on Deepening of the Single Market  
- Services in the Internal Market and market monitoring, as prepared by the Economic Policy  
Committee and agreed by the Economic and Financial Committee

Encl.:

**Deepening of the Single Market**  
**- Services in the Internal Market and market monitoring -**  
**(draft Council (Ecofin) Conclusions)**

Since its launch in the mid-1980s the Single Market Programme has contributed to the promotion of integration and competition within the EU and has resulted in remarkable benefits in terms of price developments, growth and jobs. However, the Council HOLDS THE VIEW that its potential has not been fully exploited and CONSIDERS that the further deepening of the Single Market should be one key element of the EU's forward looking strategy.

The Council WELCOMES President Barroso's commitment to update the single market and LOOKS FORWARD to the announced evidence-based package for tomorrow's single market, including proposals for specific actions, taking due account of the report on challenges and opportunities of the development of the Single Market mandated to Mr. Monti, including its social dimension that is being carried out.

Significant internal and external challenges remain in particular moving towards an EU single market and maintaining long-term global competitiveness. This will require a commitment to a broad set of ongoing single market reforms. Most immediately, the Council STRESSES the importance of the internal market for services as a key element for ensuring competitive pricing, enhancing competitiveness more generally, and increasing potential growth and employment. The Council ACKNOWLEDGES that the incomplete transposition of Community directives is one reason why the integration process is still far from complete. It therefore CALLS FOR a comprehensive and ambitious implementation of the Services Directive. In particular, the Council URGES those Member States that have not met the transposition deadline to do the utmost to finalise it as soon as possible. The Council CONSIDERS that the potential offered by the Services Directive should be fully exploited and therefore WELCOMES the evaluation of its implementation as well as an economic assessment of the progress brought by the Services Directive for the functioning of the Internal Market.

The Council HIGHLIGHTS the potential of the mutual evaluation exercise launched in January 2010 to further unleash the growth potential of the services sector. An effective and transparent mutual evaluation, under the supervision of the Council (Competitiveness), will contribute to further increase competition by helping to remove regulatory inefficiencies, identify best regulatory practices and appropriate new initiatives to deepen the internal market. The Council CALLS FOR engagement and active participation of the Member States and the Commission. The Council also WELCOMES the economic assessment to be delivered in 2011 by the Commission that will provide complementary economic evidence.

In line with the 2007 Single Market Review which emphasised the need for a better understanding of the functioning of markets based on an evidence-based approach the Council also REITERATES its support for the market monitoring and smart regulation initiatives to deepen the Single Market in the EU2020 Strategy with a modern evidence-based tool kit. The Better Regulation initiative has contributed to improve the functioning of the single market, by developing impact assessments of policy proposals, and further extending the simplification and reduction of administrative burdens. These economic tools to better inform regulatory or non-regulatory initiatives in the future could be further explored.

Building on the Council Conclusions of 10 February 2009, the Council REITERATES the importance of market monitoring and the benefits of collaboration between the Commission and Member States building on the renewed screening methodology and setting up a transparent process for selecting sectors for further in-depth investigations. To this end, the Council TAKES NOTE of the Communication by the Commission on "A better functioning food supply chain in Europe", which illustrates how practical recommendations that emanate from evidence-based tools such as market monitoring, can best support EU and national decision-making process in delivering necessary sectoral reforms, while avoiding new bureaucratic costs for Member States and the Commission. The Council ENCOURAGES the Commission to conclude outstanding studies, launch further in-depth market monitoring studies in sectors showing signs of market malfunctioning, and to gather further experience in the implementation of market monitoring in close cooperation with Member States and the EPC. The Council INVITES the Commission to report back on market monitoring by the end of 2010, in particular, as regards progress on ongoing in-depth studies and their contribution to the wider Single Market agenda.

Finally, the Council also RECOGNISES the importance of the EU State Aid framework as an important tool in avoiding distortions and enhancing competition within the internal market, helping deliver better outcomes for citizens through increased jobs, growth, and consumer benefits. In this context the Council TAKES NOTE of the fact that the Temporary Framework for the Real Economy is scheduled to expire by end 2010, and WELCOMES the Commission's ongoing efforts to implement State aid rules so that they are conducive to making the internal market work better. The Council also ACKNOWLEDGES the importance of achieving a timely withdrawal of temporary support measures.