

EUROPEAN LEAGUE FOR ECONOMIC COOPERATION

Conference – International Economic and Social Commission – Brussels – 30/11/2017

Dinner speaker notes with Mrs Imfried Schwimann, Deputy Director – General in charge of Directorates E, G and H in DG Internal Market, Industry, Entrepreneurship and SMEs (GROW).

“DG GROW” is responsible for EU policy on the single market, industry, entrepreneurship and small businesses.

Mrs Schwimann presented the latest initiatives and package of measures to improve the functioning of services sector and deepen services market integration at European level in order to create more growth and jobs. She also made comments on EU Industrial policy.

The Single Market is one of Europe’s most tangible achievements. By allowing people, goods, services and capital to move freely it offers new opportunities for citizens and businesses. The Services Directive covers a wide variety of economic activities representing 46% of EU GDP. Even though much has been achieved by the Services Directive, adopted in 2006 and implemented by all EU countries in 2009 there is still room for improvement. A more ambitious implementation of the Services Directive could lead to an additional economic gain of about 2.6% EU GDP, which would in turn have a positive impact on employment¹.

The objective is to realize the full potential of services markets in Europe by removing legal and administrative barriers to trade. The European Commission is working with EU countries to further improve the Single markets for Services. Initiatives focus on three themes: increase opportunities for consumers & businesses; encourage modernisation & innovation; focus on delivery and accountability.

1) E-commerce package to help consumers and companies reap full benefit of Single Market

The value of e-commerce in the EU is growing, but its full potential remains untapped. Only 15% of consumers buy online from another EU country and 8% of companies sell cross – border.

As part of its efforts to unlock the potential of e-commerce, the Commission has adopted a package of proposals in May 2016, to allow consumers and companies to buy and sell products & services online more easily and confidently across the EU by stopping unjustified geo-blocking, increasing the transparency of parcel delivery prices and improving the enforcement of consumers’ rights through better protection and enforcement².

2) A European agenda for the Collaborative Economy

The collaborative economy or sharing economy is rapidly emerging across Europe. It provides new opportunities for citizens and innovative entrepreneurs but it also creates tensions between the new service providers and challenged existing market operators. Do incumbents face unfair competition? EC provided guidance and policy recommendations for the collaborative economy encouraging the development of new and innovative services but at the same time emphasising the need to promote best practices across Europe and bring all business together to establish codes of conduct³.

¹ Commission contribution to the European Council – March 2014 : <http://www.astrid-online.it/static/upload/protected/-la-/la-commission-au-sommet-europeen-des-20-et-21-mars-services.pdf>

² Package and Q&A: http://europa.eu/rapid/press-release_IP-16-1887_en.htm

³ Guidance & policy recommendations, consultations, analytical papers: http://ec.europa.eu/growth/single-market/services/collaborative-economy_en

3) A new initiative for start-ups to “Start and scale up” in Europe

The initiative aims at improving the conditions for start-ups to scale – up, create more jobs and enhance Europe’s competitiveness. Europe is doing good in creating start-ups. But new burgeoning companies find difficulties to grow businesses, reach critical scales, become medium firms and create jobs on a larger scale.

The main proposals of the Commission are

- To remove the barriers for start-ups to scale up in the Single Market,
- To create better opportunities for partnership, commercial opportunities and skills,
- To facilitate the access to finance

The initiative also puts emphasis on helping start-ups navigate regulatory requirements, improving innovation support and creating opportunities for different stakeholders to meet (bring investors with academia, find management skills, create VCs and fund of funds, ...). The Commission will also adopt a set of measures to support the use of Intellectual Property Rights by SMEs and take action to support access by start-ups to the €2trn European public procurement market⁴.

4) Services package

Services represent two thirds of the EU economy and generate 90% of new jobs, but the Single Market does not function properly for services. The Commission presented in 2017 an ambitious and balanced package of measures that will make easier for companies and professionals to provide services within EU. The objective of the Services Directive is to remove barriers to the establishment of service providers and the temporary provision of cross-border services. The objective is to promote cross-border activities. The package includes four concrete initiatives⁵:

- A new European Services e-card. A simplified electronic procedure will make it easier for providers of business services (e.g. engineering firms, IT consultants, organizers of trade shows, ...) and construction services to complete the administrative formalities required to provide services abroad.
- Guidance in national reforms in regulation of professions;
- and proposal for a proportionality test before adoption of new regulation of professions in order to facilitate the mobility of professionals.
- Improved notification of draft national laws on services in order to make the process more timely, effective and transparent.

5) EU public procurement package

Every year, public authorities in the EU spend around 14% of GDP on the purchase of services, works and supplies (in sectors such as energy, transport, waste management, etc ...). In order to stimulate investment in the EU, the Commission has put forward an initiative to carry out procurement more efficiently while making full use of digital technologies to simplify and accelerate procedures⁶. The Commission’s public procurement strategy, adopted in October 2017, focuses on six strategic policy priorities aiming at improving EU public procurement practices⁷.

6) Measures to improve the flow of information and “make Europe more accessible”

There is a change in the way of functioning in the Commission in order to improve transparency and communication with businesses and citizens.

Single Digital Gateway

⁴ Commission’s Start and Scale-up Initiative : http://europa.eu/rapid/press-release_IP-16-3882_en.htm

⁵ Proposals & Factsheet : http://europa.eu/rapid/press-release_IP-17-23_en.htm

⁶ Background, Q&A and Factsheet : http://ec.europa.eu/growth/content/increasing-impact-public-investment-through-efficient-and-professional-procurement-0_en

⁷ Policy priorities : http://ec.europa.eu/growth/single-market/public-procurement/strategy_en

It will provide online information, procedures, assistance and problem solving to citizens and companies in their cross-border activities. It is particularly important for innovative new businesses facing complex regulatory environments, such as those active in e-commerce and the collaborative economy that they can easily find out the applicable rules and how they apply to their business activities. The Single Digital gateway will integrate several networks and services that have been established at national and EU level (European Consumer Centres, Intellectual Property Rights Helpdesk, Enterprise Europe Networks, etc ...). It aims to help citizens and businesses to make the most out of the opportunities offered by the Single Market, responding to users' needs in a digital world. It also incentivises EU countries to adopt e-government strategies to offer modern and efficient public service.

The Council adopted its position on general approach on November 30th, enabling negotiations with the European Parliament to begin⁸.

Single Market Information Tool

It will allow the Commission to access information from market players that are not accessible otherwise in order to be alerted where the Single Market may not be working properly and to react faster and more effectively to ensure compliance will benefit all citizens and companies who will be able to exercise their Single Market rights in a better and quicker way.

7) EU Industrial Policy

Top priorities include encouraging innovation by supporting actions related to innovation and research, supporting the internationalisation of EU enterprise and industrial goods and services, developing a SME policy in order especially to facilitate the access to finance for SMEs. EU SMEs looking for capital to scale up have a tendency to go to the US where equity capital and venture capital is more available. Cross-border investment in equity capital within EU remains difficult.

Actions are also taken in the European Defence Technological and Industrial Base, supporting the involvement of SMEs in the defence sector and promoting research and innovation through the European Defence Fund. For further details, refer to the conference on European Security & Defence that ELEC Economic and Social International Commission organised the same day.

⁸ Timetable / Costs & Benefits :

<http://www.europarl.europa.eu/cmsdata/129820/PPT%20single%20digital%20gateway.pdf>