



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 7 November 2012

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NOTE

from:	Presidency
to:	Working Party "Competitiveness and Growth"
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No Prev. doc.	14766/12 COMPET 606 MI 615 FIN 734 SOC 811 ENT 246 CONSOM 120 ENER 404 TRANS 325 TELECOM 178 POLGEN 164
Subject:	Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions: "Single Market Act II - Together for new growth" - Revised draft Council Conclusions

Delegations will find in Annex a revised version of draft Council Conclusions prepared by the Presidency as a response to the Communication "Single Market Act II- Together for new growth" presented by the Commission on 3 October 2012. This revised version will be examined by the Working Party on Competitiveness and Growth at its meeting on 15 November 2012. At this stage all delegations have a general scrutiny reservation.

New text compared to doc. 14766/12 has been put in **bold and underlined**. Deleted text has been marked by ~~strikethrough~~.

Revised draft COUNCIL CONCLUSIONS

ON THE SINGLE MARKET ACT II - TOGETHER FOR NEW GROWTH

"THE COUNCIL (Competitiveness)

RECALLING:

- The Conclusions of the European Council of 19 October 2012 welcoming the Commission's intention to present all key SMA II proposals by spring 2013 and calling for their rapid examination in order to allow their adoption by the end of the current parliamentary cycle at the latest;¹
- The Compact for Growth and Jobs agreed at the European Council on 29 June 2012, which highlighted the need for deepening the Single Market by removing remaining barriers in particular in digital and network industries within the context of the need for urgent measures to promote growth and jobs;²
- ~~The Commission Communication on "Single Market Act – Twelve levers to boost growth and strengthen confidence – Working together to create new growth" (SMA I) of 13 April 2011;~~³
- ~~The Conclusions of the Competitiveness Council of 30 May 2011 on the priorities for re-launching the Single Market, in which Council calls on Member States and the European Parliament in close cooperation with the Commission to adopt by the end of 2012 a first set of priority measures to bring a new impetus to the Single Market;~~⁴
- ~~The Communication from the Commission "Europe 2020 – A strategy for smart, sustainable and inclusive growth", adopted on 3 March 2010⁵, and the key flagship initiatives set out in it;~~

¹ EUCO 156/12.

² EUCO 76/12.

³ ~~doc. 9283/11.~~

⁴ ~~doc. 10993/11.~~

⁵ ~~doc. 7110/10.~~

- The Communications from the Commission “Better Governance for the Single Market”⁶ **and “A partnership for new growth in services 2012-2015” on the implementation of the Services Directive,**⁷ adopted on 8 June 2012;

- The European Parliament Resolutions of 14 June 2012 on a 'Single Market Act: The Next Steps to Growth'⁸ **and of 25 October 2012 on the 20 main concerns of European citizens and business with the functioning of the Single Market**⁹ in which Parliament stresses that strengthening the Single Market and underpinning it with the right economic governance should be at the core of the EU's growth agenda;

~~- The Opinion of the European Economic and Social Committee of 12 July 2012, which called for not only short-term but also medium and long-term measures to support growth and sustainable development¹⁰;~~

- The Commission Communication “Single Market Act II – Together for new growth” (SMA II) of 3 October 2012.¹¹

1. UNDERLINES that since its foundation the Single Market has generated significant growth, employment and opportunities for citizens and businesses to move, operate and invest across the EU and thereby played ~~an important~~ **a crucial** role in the development **and integration** of the EU.
2. STRESSES that the contribution to growth and employment expected from **a fully functioning** ~~the further development of the~~ Single Market is a key element of the EU response to the economic, financial and social crisis ~~faeing Europe~~ and in promoting competitiveness. EMPHASISES that the Single Market **is indispensable** ~~constitutes an important tool for~~ **creating** medium **and long**-term benefits **and** opportunities and for restoring **consumer and business** confidence as well as for achieving the ~~long-term~~ vision of a highly competitive social market economy.

⁶ Doc. 11125/12.

⁷ Doc. 11145/12.

⁸ P7_TA (2012) 0258 adopted on 14 June 2012.

⁹ P7_TA-PROV(2012)0395 adopted on 25 October 2012.

¹⁰ ~~INT/648 – CESE 1575/2012.~~

¹¹ doc. 14536/12.

3. REAFFIRMS its objective to adopt by the end of 2012 as many of the outstanding priority measures of the SMA I as possible.
4. CONSIDERS that the ~~development~~ **deepening** of the Single Market is a continuous exercise **requiring** ~~and that further steps are necessary~~ **and, in this respect,** ~~it~~ WELCOMES the SMA II ~~that sets out the following four drivers and twelve key~~ **and its** actions **which are expected to have** ~~with~~ significant growth **and employment** potential, **and which reflect** ~~reflecting~~ better regulation principles ~~and~~ **while being** in line with the Europe 2020 strategy and the Compact for Growth and Jobs decided last June.

[List of SMA II key actions has been moved to the Annex]

5. CALLS ON the Commission to table **by spring 2013 at the very latest** ~~the necessary~~ **its** proposals ~~for~~ **on** the twelve key actions of the SMA II **listed in Annex and in connection with this to also table a thorough impact assessment and quantification of costs and benefits of the key actions in relation to growth and jobs; furthermore HIGHLIGHTS the importance of appropriate monitoring and evaluation of such benefits.**
6. INVITES **ENCOURAGES** ~~the~~ Member States and the European Parliament in close co-operation with the Commission and in a spirit of partnership to make every possible effort to ~~adopt~~ **ensure the rapid examination of the proposals for** the twelve key actions of the SMA II **in order to allow their adoption** by the end of the current parliamentary cycle **at the latest** ~~in order~~ **so as** to bring new impetus to the Single Market; **in this respect INVITES the Presidency to initiate a close dialogue at an early stage with the European Parliament.**

7. HIGHLIGHTS the importance of timely and correct transposition of Single Market legislation as well as its effective implementation and enforcement for it to become a tangible reality for all citizens and businesses **and in this respect EMPHASISES the need for more realistic transposition deadlines.** ~~WELCOMES~~ **CALLS for urgent action in line with** the Commission Communication to improve Single Market governance, including monitoring performance through an annual report in the framework of the European Semester process. ~~and EMPHASISES the need for more realistic transposition deadlines.~~ **WELCOMES the Commission Communication on the implementation of the Services Directive “A partnership for new growth in services 2012-2015”, and CALLS for its immediate implementation, including through rigorous peer review of national restrictions and swift action to remove unjustified barriers.**
- 8. UNDERLINES that it is essential to ensure the highest quality and effectiveness of EU legislation in order to eliminate fragmentation of the Single Market, reduce administrative burden on entrepreneurs and ensure that the benefits of the Single Market are passed on to citizens and businesses; furthermore ENCOURAGES Member States to promote Single Market-friendly national legislation.**
- 8.9.** RECOGNISES that tackling remaining unjustified barriers in the Single Market is an exercise requiring continuous adaptation to ~~changing~~ social, demographic, technological, **legal** and other ~~developments~~ **changes.** ENCOURAGES the Commission to continue the monitoring of developments in ~~this~~ **these** areas and, in close cooperation with the EU institutions and stakeholders, to consider **where** further action **is required** to **promote sustainable growth and jobs by** ~~removing~~ remaining ~~unjustified~~ barriers **to the four freedoms of the Treaty** ~~in~~ the Single Market to ~~promote growth and jobs and to~~ **while taking** account of new challenges in the interest of citizens, workers, consumers and businesses **and** in particular SMEs.

10. HIGHLIGHTS the necessity for the Single Market to rest upon a strong economic and social basis and in this respect EMPHASISES the importance for the key actions of the SMA II to address the concerns of the citizens and the benefits they may draw from the Single Market. ENCOURAGES the Commission to consider further action to strengthen the contribution of the Single Market to social inclusion within the EU and ensuring that citizens have access to the rights that the Single Market offers to them.

9-11. STRESSES the need for its stronger role ~~in~~ on Single Market issues in the context of the European Semester process with regard to sustainable growth and competitiveness enhancing measures, especially ~~with regard to~~ including the governance of the Single Market and the adoption and implementation of the key actions of the SMA I and SMA II. Moreover, CALLS on the Commission to present its Annual Report on the integration of the Single Market for timely discussion in the Competitiveness Council and its preparatory bodies.

12. UNDERLINES the need to monitor closely the progress on the key proposals of the SMA I and SMA II and in this regard INVITES the Commission to present a semi-annual report for discussion in the High Level Group on Competitiveness and Growth and subsequently in the Council.

LIST OF SMA II KEY ACTIONS PROPOSED BY THE COMMISSION

	<u>Lever</u>	<u>Key Action</u>	<u>Proposal by the Commission</u>
<u>Developing fully integrated networks in the Single Market</u>			
<u>1</u>	<u>Rail transport</u>	<u>Adopt a fourth railway package to improve the quality and cost efficiency of rail passenger services</u>	<u>Legislative proposal to be presented in Q4 2012</u>
<u>2</u>	<u>Maritime transport</u>	<u>Adopt the "Blue Belt" package to establish a true Single Market for maritime transport</u>	<u>Package of legislative and non-legislative measures to be presented in Q2 2013</u>
<u>3</u>	<u>Air transport</u>	<u>Accelerate the implementation of the Single European Sky through a new package of actions</u>	<u>Action plan with legislative measures to be presented in Q2 2013</u>
<u>4</u>	<u>Energy</u>	<u>Implement an action plan to improve the implementation and enforcement of the third energy package</u>	<u>Action plan to be presented in Q4 2012</u>
<u>Fostering mobility of citizens and businesses across borders</u>			
<u>5</u>	<u>Mobility of citizens</u>	<u>Develop the EURES portal into a true European placement and recruitment tool</u>	<u>Legislative Decision to be taken by the Commission in Q4 2012</u>
<u>6</u>	<u>Access to finance</u>	<u>Boost long-term investment in the real economy by facilitating access to long-term investment funds</u>	<u>Legislative proposal to be presented in Q2 2013</u>
<u>7</u>	<u>Business environment</u>	<u>Modernise EU insolvency rules to facilitate the survival of businesses and present a second chance for entrepreneurs</u>	<u>Legislative proposal and Communication to be presented in Q4 2012</u>

<u>Supporting the digital economy across Europe</u>			
<u>8</u>	<u>Services</u>	<u>Revise the Payment Services Directive and make a proposal for multilateral interchange fees to make payment services in the EU more efficient</u>	<u>Legislative proposal to be presented in Q2 2013</u>
<u>9</u>	<u>Digital Single Market</u>	<u>Adopt common rules to reduce cost and increase efficiency in the deployment of high speed broadband</u>	<u>Legislative proposal to be presented in Q1 2013</u>
<u>10</u>	<u>Public procurement & electronic invoicing</u>	<u>Adopt legislation making electronic invoicing the standard invoicing mode for public procurement</u>	<u>Legislative proposal to be presented in Q2 2013</u>
<u>Strengthening social entrepreneurship, cohesion and consumer confidence</u>			
<u>11</u>	<u>Consumers</u>	<u>Improve the safety of products circulating in the EU through a revised General Product Safety Directive, a new single Regulation on Market Surveillance and a flanking action plan</u>	<u>Package of legislative and non-legislative measures to be presented in Q4 2012</u>
<u>12</u>	<u>Social cohesion and social entrepreneurship</u>	<u>Adopt a legislative initiative to give all EU citizens access to a basic payment account, ensure bank account fees are transparent and comparable and make switching bank accounts easier</u>	<u>Legislative proposal to be presented in Q4 2012</u>