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NOTE

From: Presidency
To: Permanent Representatives Committee/Council
Subject: European Semester-Single Market Performance Report
- *Policy Debate*

Delegations will find in Annex a Presidency Note on European Semester –Single Market Performance Report, in view of the Competitiveness Council on 27 February 2020.

The Single Market dimension in the European Semester

The European Semester has been evolving to progressively include issues related to the Single Market. At present, the structural reforms fostered in the Semester help to deepen the Single Market integration. Semester recommendations to remove obstacles to trade and investment or undue market restrictions help to realise the full potential of the Single Market. Key aspects of the Single Market, e.g. competitiveness, innovation, entrepreneurship and the functioning of services markets, are monitored in the Semester.

This year, based on the Competitiveness Council Conclusions of May 2019¹, the Commission has also stepped up the coverage of Single Market issues through the preparation of the Single Market Performance Report (SMPR). The SMPR has been included in the Autumn Package, accompanying the Annual Sustainable Growth Strategy (ASGS) –the previous Annual Growth Survey (AGS). The SMPR is very broad in policy scope as it looks beyond the traditional aspects of the Single Market, including specific markets such as energy, transport and environmental issues. It has to be kept in mind that any analysis would need to be underpinned by data and that currently there are limitations stemming from data.

However, the discussions held in the Council at technical level have made apparent the need to dedicate more efforts to have a more complete and up-to-date monitoring of Single Market reforms and their actual impacts on productivity and competitiveness.

¹ 9743/19

Way forward

A discussion at Council level gives us an opportunity to take stock of how the Single Market dimension has been featured in the European Semester and seek Member States' views on the way forward. It would be important to reflect on whether the way the Single Market is addressed in the report is helping foster Single Market integration. Feedback from Member States would allow the Commission focus its analysis in the best way possible to supporting the Single Market.

1. *Do Member States agree with giving a broad and holistic scope to the Single Market Performance Report? How can this be combined with putting a focus on specific topics and sectors?*
2. *Does the Semester offer a useful framework of cooperation and coordination of Single Market policies at EU and national level?*
3. *What indicators need to be developed in this context, in order to refine the evidence on which the policies addressing the Single Market dimension are shaped?*
