



Brussels, 22 January 2025
(OR. en)

5613/25

COMPET 41
MI 45
INTER-REP 9

NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Draft Report on services in the Internal Market - European Economic and Social Committee (EESC)

Delegations will find attached a draft Report on services in the Internal Market from the European Economic and Social Committee (EESC), with a view to the discussion by the Working Party on Competitiveness and Growth (Internal Market) at its meeting on 22 January 2025.

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Fragmentation in Services within the European Union

- Access to Regulated Professions
- Implementation of the Services Directive
- Capital Markets and Investment Union
- Digital Market
- Posting Workers





Access to Regulated Professions



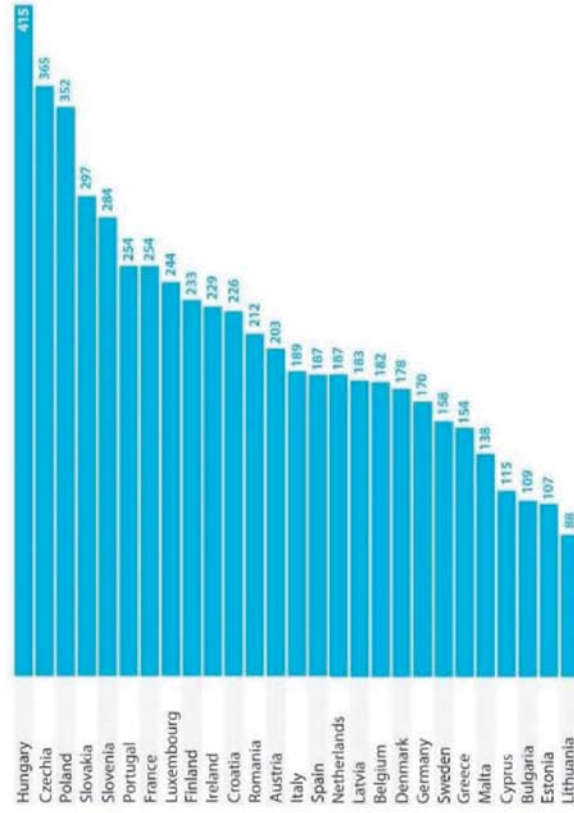
Over 5,700 regulated professions across EU countries



Challenges for SMEs in cross-border services



Number of regulated professions per member state, 2023



Source: ECA, based on the Regulated Professions Database.



Retail in e-commerce

Installation

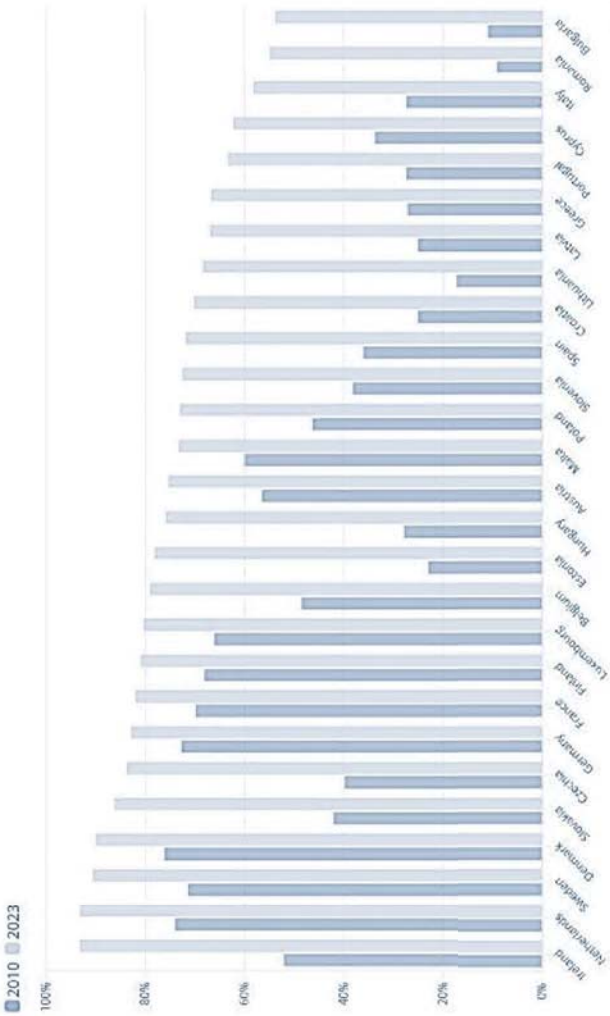
Implementation of the Tourism Services Directive

Construction

Industrial equipment – maintenance and repair



Internet users making online purchases in 2023 compared to 2010



Source: European Council: E-commerce in the EU

Capital Markets and Investment Union

Enrico Letta's Report on the Future of the Single Market



The European Union is home to a staggering 33 trillion euros in private savings, predominantly held in current accounts (34.1%).





Digital Market

Fragmentation in scaling digital businesses across 27 markets.

Variability in GDPR implementation complicates compliance.

Lack of unified regulations for emerging technologies

- Example case of autonomous vehicles



Posting Workers



Misuse of the A1 Form

- The A1 form, which certifies social security coverage is frequently used by certain Member States as a barrier to posting workers.
- This misuse complicates the posting process for businesses and creates unnecessary obstacles.

Additional Documentation Challenges

- Host countries often impose extra documentation requirements.
- This occurs even when workers possess valid permits from their home countries, further complicating compliance and hindering cross-border services.