

POSITION ON THE 2025 SINGLE MARKET STRATEGY



Eurochambres Position on the 2025 Single Market Strategy

The single market is crucial to Europe's competitiveness, yet there are signs that it is not achieving its full potential. Key performance indicators highlight a decline in market integration for both goods and services. Persistent barriers to free movement, poor transposition, implementation, and enforcement of rules, as well as ineffective governance, are hindering business growth and limiting opportunities.

Eurochambres calls for an ambitious Single Market Strategy, covering also the digital sphere, that enables businesses of all sizes to thrive, reduces trade barriers, and cuts excessive administrative and regulatory burdens.

1. Executive summary

The EU should be leading in growth and innovation, but its single market is not living up to businesses' expectations. Instead of driving competitiveness, fragmentation and stagnation are setting in. The European Commission's latest <u>Annual Single Market and Competitiveness Report</u> highlights troubling signs: market integration for goods and services is slipping while businesses are struggling against bureaucratic deadlocks and inconsistent rule enforcement. This is more than just a missed opportunity – it's an economic liability.

Persistent barriers to free movement and inconsistent single market rules hinder business growth, innovation, and economic scale in Europe. Regulatory fragmentation and market inefficiencies weaken resilience, affect competition, deter investors, and limit job creation. Ineffective governance structures further exacerbate disparities, leaving businesses in some member states at a disadvantage.

A well-functioning and deeply integrated single market is fundamental to the EU's ability to compete globally, particularly at a time when economic pressures from geopolitical tensions, supply chain disruptions, and technological transformations are intensifying. Without decisive action, Europe could see a further slowdown in trade, investment, and innovation, all of which are critical to maintaining its global standing.

Eurochambres urges the Commission to adopt an ambitious Single Market Strategy, with clear roadmaps, timeframes and milestones, is comprehensive in scope, and swift in execution, to boost integration, especially in the digital economy. A well-integrated single market will enable businesses, particularly SMEs, by lowering trade barriers, promoting cross-border collaboration, and mitigating regulatory burdens. Strengthening it is key to growth, economic dynamism, and long-term prosperity.

2. Why the chamber network considers the upcoming the Single Market Strategy relevant

A new Single Market Strategy is essential because businesses are struggling with economic stagnation, unfair competition from third countries, regulatory fragmentation, and a lack of growth opportunities. Given the current situation and the declining competitiveness of the EU market vis-à-vis other economies, the chamber network calls for urgent reforms to remove barriers to trade and investment, enhance regulatory efficiency, and create a more business-friendly environment. Without a strong and ambitious strategy, European enterprises, especially SMEs, will continue to face a regulatory framework that limits their ability to scale up, innovate, and compete globally.

Moreover, with geopolitical uncertainties, supply chain disruptions, and increasing global competition, inaction could further weaken Europe's economic position. EU policymakers must outline concrete measures needed to revive market integration, improve governance systems, and reduce administrative burdens. It is a vital tool to ensure that the concerns of businesses are not just heard but translated into policies that drive real progress. The single market must be a driver of resilience and growth, not a barrier to it and chambers of commerce are key allies in driving the reforms that will secure Europe's economic future.

3. Preventing and eliminating barriers to the free movement of goods and services in the single market

The free movement of goods and services in Europe is still hindered by long-standing barriers which hold back the single market and limit its growth potential. Achieving **greater harmonisation and reinforcing the mutual recognition principle** are crucial steps to unlocking a truly level playing field for businesses and individual entrepreneurs. To enhance market access, particularly where full harmonisation is not practical or suitable, there is a need for greater cross-border acceptance and flexibility. Eurochambres also firmly backs all efforts to streamline, digitalise and harmonise EU administrative processes.

Priorities:

- Boost awareness of the single market and support to market operators by promoting and enhancing tools like the Technical Regulation Information System (TRIS), SOLVIT, and Your Europe Portal, while enhancing financial and advisory services.
- Improve regulatory consistency by standardising administrative requirements (e.g., posting of workers), which apply to all member states, and ensure barrier-free access to legal information. The Single Digital Gateway (SDG), as the managing body of the Points of Single Contact (PSC), and the Internal Market Information System (IMI) play an important role in reducing burdens for businesses and could be expanded to support the digital and central processing of additional cross-border administrative procedures. Multilingual access and digital identity recognition (eIDAS) should be mainstreamed.
- Reduce bureaucracy by addressing unnecessary certification, packaging, and labelling requirements, while ensuring new regulations do not stifle innovation.
- Strengthen cross-border projects e.g. Important Projects of Common European Interest (IPCEIs) and accelerate approvals for critical innovations and infrastructure investments. However, market interventions such as IPCEIs should only be used in

- a few, well-founded exceptional cases and in close consultation with industry.
- Streamline public procurement through the reduction of red tape and the encouragement of cross-border participation without imposing additional bureaucratic hurdles, especially for SMEs.
- Pursue the mandatory use of the public and multilingual interface for posting of workers to ensure efficient access to information in a level-playing field.
- Ensure that **market integration in services** leads to increased competitiveness and innovation in the EU. The highest priority should be given to simplifying rules.

4. Mitigating regulatory and administrative challenges in the single market

Priorities:

- Strengthen the cooperation between market surveillance authorities and focus on compliance actions, especially towards non-EU manufacturers, guaranteeing a levelplaying field and the correct implementation and enforcement of the General Product Safety Regulation (GPSR) and the Market Surveillance Regulation (MSR).
- Position SOLVIT as a leading out-of-court dispute resolution mechanism for faster, more accessible solutions.
- Encourage member states to avoid introducing additional technical barriers to trade and to cooperate according to TEU Article 4(3).
- When it comes to the TRIS, the Commission must strictly verify the member states' notification process and communicate clearly about the consequences for noncompliance. The Commission should also develop guidelines to help member states use TRIS in a way that promotes transparency and fair competition. Additional recommendations:
 - Review confidentiality rules and provide more information on new draft technical regulations on PSC or other business-friendly websites,
 - Restrict the use of the urgency procedure, particularly in non-emergency situations, and ensure it is time-restricted,
 - Reverse the burden of proof, ensuring that it is the member states' responsibility to justify the adoption of a specific technical regulation,
 - Perform more ex-ante conformity assessments, similar to the proportionality test to be done before the adoption of new regulation of professions - <u>Directive (EU)</u> 2018/958.
 - Use push notifications for new submissions,
 - Provide justification to those who commented on submissions after the 3-month window,
 - o Create national TRIS contact points/offices accessible to stakeholders,
 - Enhance access to justice by enabling companies to file preliminary injunction claims for breaches of single market rules.
 - Trigger an automatic infringement procedure against a member state for noncompliance with the notification requirements.
- The growing scope of notification, reporting, and bureaucratic obligations drain businesses' time and resources, diverting focus from critical areas such as efficiency. The Commission should ensure administrative simplification and the effective application of the "once-and-only" principle, avoid excessive compliance costs linked to reporting, introduce a unified system to track obligations and rules in real-

- time, and support rule implementation with digital tools aligned with the "digital by default" principle.
- Adopt a more systematic approach to the simplification agenda through a
 comprehensive burden reduction plan for the remainder of this mandate, based on
 our 60 proposals to reduce the burden on businesses. This plan should include
 coherent timelines for future simplification actions, well-defined approaches and
 objectives, and scoreboards to track progress at both the EU and national levels.
- Avoid an overreliance on **secondary legislation** and guarantee that it does not go beyond the objectives defined in primary acts.
- Expand the scope and resources of the **Single Market Enforcement Task Force** (**SMET**) to enhance its problem-solving capacity, strengthen its advisory role by engaging stakeholders throughout the process, and facilitate discussions on regulatory disputes and ongoing infringement procedures. However, as the guardian of the treaties, the Commission must continue to enforce single market rules alongside this technical collaboration.

5. Enhancing horizontal governance of the Single Market and enforcing its rules

Priorities:

- Uphold the principle of an open market economy with free competition (Article 120 TFEU) in all policy developments and avoid adopting legislation that contradicts this principle, to maintain EU competitiveness and prevent undermining economic gains.
- Implement regulatory measures that enhance the competitiveness of Europe's industrial base, while carefully balancing environmental implications. The single market cannot be instrumentalised for political objectives that may change rapidly.
- Ensure coordinated, transparent collaboration between European and national authorities to create a level playing field, with consistent implementation of EU law. Address **delays and rule of law deficiencies** in national judicial systems that undermine companies' operations.
- Speed up infringement case initiation and resolution, focusing on systemic market impacts, and using EU pilot proceedings, establishing transparent monitoring mechanisms, including digitalisation of infringement reporting and publishing aggregated data on member states' performance.
- Implement faster, more flexible enforcement mechanisms while addressing the barriers created by national service regulations without prior review. Since the service notification reform failed, The Commission could introduce an ex-ante review to increase transparency and reduce gold-plating.
- Consider the work developed by Chambers of Commerce and Industry as well as
 the Enterprise Europe Network (EEN) as essential to evidence-based EU
 policymaking, alongside public consultations and reality checks, as they provide vital
 SME insights on single market policies and regulatory impacts. European SMEs must
 be empowered to engage with policymakers, voice their concerns and be
 supported in overcoming administrative barriers and unlocking potential European
 market opportunities.
- Ensure the systematic application of the SME and competitiveness check across

all Commission services and consistently implement the "Think Small First" principle to ensure proportionality and develop true SME-friendly policies.

6. Deepening the Digital Single Market

Priorities:

- Ensure the effective and uniform enforcement of the General Product Safety Regulation (GPSR) and the Digital Services Act (DSA), in particular with regard to the "know your business customer" obligation for online marketplaces, that should dissuade non-compliant sellers from offering their products in the EU through online marketplaces, and to provide practical support in tracing traders that do not abide by EU rules.
- Strengthen the European Commission's capacity to oversee platforms, investigate complaints, uphold fair competition while ensuring it has the necessary resources to fulfil these responsibilities effectively.
- Under the GPSR, online marketplace sellers must provide a reshipping address and contact point within the EU to allow consumers to easily return noncompliant goods without undue costs. Online marketplaces should be responsible for checking these obligations and held accountable for enforcement.
- Eliminate **barriers hindering business scalability** on digital platforms, particularly for SMEs, by reducing complexity and costs.
- Align regulatory obligations and technical standards in cloud computing, data protection, cybersecurity, and intellectual property to create a seamless and competitive EU environment. Work towards removing barriers for SMEs to participate in ICT standardisation processes to ensure inclusivity and relevance of standards.

7. Ensuring the free movement of capital and investment in the EU

- Establish the right to access basic banking services for companies and other business professionals to address the various challenges faced by entrepreneurs in opening, managing and closing bank accounts, especially cross-borders. More information <a href="https://example.com/here/basic-banking-services-basic-banking-services-banki
- Take action at the EU level to facilitate successful business transfers, ensuring
 economic continuity and job retention. With the support of the chamber network, the
 Commission should promote the exchange of best practices, collect more national
 data through Eurostat and implement new EU-funded projects building on successful
 initiatives such as the 'Mentoring Business Transfer' project or EU-funded projects
 implemented through cascade funding mechanisms.
- Integrate business transfer support into the **2028-2034 Multiannual Financial Framework (MFF)** discussions and the successor to the Single Market Programme, as the continuity of viable businesses directly impacts the EU's competitiveness.
- Strengthen SMEs requires reinforcing effective indirect support services such as EU advisory networks, innovation guidance, and simplified access to EU programmes. Sustained strategic and financial backing of these support structures, mainly with regard to the future functioning of the Enterprise Europe Network (EEN), in the next programming and the related MFF period is essential.

- Make EU programmes, especially research and innovation, more appealing for SMEs and simplify access to funding, with financial intermediaries playing a more flexible facilitation role, and align eligibility criteria with innovation goals while reducing banks' risk aversion.
- Unlock the potential of the capital market union by consolidating equity markets and simplifying IPO requirements to enhance liquidity and investor access.
- Improve access to finance for European start-ups by encouraging institutional investment in venture capital, and reducing regulatory restrictions on pension funds and other institutional investors.
- Address the rule of law and investment security gaps following the "Achmea ruling" on intra-EU investor-state arbitration (ISDS), as investment protections under intra-EU BITs are no longer valid. Furthermore, the EU should create a legally binding protection system accessible to all investors, including SMEs, ensuring quick and legal resolution of issues, and consider establishing a separate investment chamber at the EU Court of Justice.

For more extensive insights, please consult <u>Eurochambres contribution</u> to the Commission's call for evidence on the future Single Market Strategy.





The association of European chambers of commerce and industry – represents more than 20 million businesses through its members and a network of 1700 regional and local chambers across Europe. Eurochambres is the leading voice for the broad business community at EU level, building on chambers' strong connections with the grass roots economy and their hands-on support to entrepreneurs. Chambers' member businesses – over 93% of which are SMEs – employ over 120 million people.

Previous positions can be found here: https://bit.ly/ECHPositions

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