

## CALL FOR EVIDENCE FOR AN INITIATIVE (without an impact assessment)

TITLE OF THE INITIATIVE	Single market strategy for 2025
LEAD DG – RESPONSIBLE UNIT	DG GROW
LIKELY TYPE OF INITIATIVE	Commission Communication
INDICATIVE TIMING	June 2025
ADDITIONAL INFORMATION	<a href="#">[add link to 'Have Your Say' page once established]</a>
<i>This document is for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by this document, including its timing, are subject to change.</i>	

### A. Political context, problem definition and subsidiarity check

#### Political context [max 10 lines]

Reports by Enrico Letta and Mario Draghi reiterated that creating a truly integrated single market is critical for European competitiveness. In April 2024, the European Council called on the Commission to develop a horizontal single market strategy by June 2025. Conclusions adopted by the Competitiveness and Growth Council in May 2024 on the single market called on the Commission to adopt a new horizontal strategy to reduce fragmentation and complete the single market, including a roadmap with clear timelines and milestones for urgent and concrete actions. The 2024 Annual Single Market and Competitiveness Report reiterated that further integration of the Single Market is clearly needed<sup>1</sup>.

In the Political Guidelines 2024-2029, President von der Leyen underlined the need for Europe to 'go much faster and further to ensure competitiveness, prosperity and fairness'<sup>2</sup>. The Political Guidelines call for a new momentum to complete the single market. This is key to bolstering the EU's competitiveness, preserving the social market economy model and strengthening the EU's founding principles. Executive Vice-President Séjourné has been tasked with developing a horizontal single market strategy for a modernised and deeper single market that promotes the cross-border provision of services and cross-border movement of goods.

#### Problem the initiative aims to tackle [max 25 lines]

Regulatory and administrative barriers continue to hamper the overall functioning of the single market, the cross-border provision of services, and cross-border trade in goods and investments. Divergences in regulatory and administrative regimes across the single market make life difficult for businesses, workers and citizens. SMEs are particularly affected. The Commission gave a detailed overview of the most significant barriers to the single market in its Communication on 'Identifying and addressing barriers to the Single Market' (2020) and in the supporting staff working document<sup>3</sup>, which remain valid.

The services sector is key to economic competitiveness, not least for Europe's industry (accounting for approximately 40% of its value added). However, despite some improvements, around 60% of the types of barriers service providers faced 20 years ago are still present today<sup>4</sup>. Economically significant services, such as business services, construction, or retail services are not reaching their full potential. Access to over 5 700 regulated professions remains restricted by Member States, making it necessary to have professional qualifications formally recognised. Moreover, authorisation and declaration regimes complicate cross-border services provision and investments.

<sup>1</sup> COM(2024)77.

<sup>2</sup> [e6cd4328-673c-4e7a-8683-f63ffb2cf648\\_en](#)

<sup>3</sup> [COM\(2020\)93](#)

<sup>4</sup> COM(2023) 162.

<p>The single market for goods is facing challenges, including illegal practices, pressures on market surveillance mechanisms, a lack of digital solutions and the circular economy.</p> <p>While the single market is the joint responsibility of the EU, EU Member States and stakeholders across policy and economic sectors, its horizontal governance structures still need to be further improved to help implement single market policies, including through digitalisation. The enforcement of existing rules also needs to be further improved, focusing on prevention, collaboration and legal correction in cases of non-compliance.</p>
<p><b>Basis for EU action (legal basis and subsidiarity check) [max 10 lines]</b></p>
<p>The strategy will be presented in response to a request from the European Council.</p> <p>The removal of single market barriers requires action at both EU and Member State levels.</p>
<p><b>Legal basis</b></p>
<p>The Communication is expected to announce a range of initiatives and actions with different legal bases. Depending on the content of the possible legislative and non-legislative instrument(s) announced in it, the legal bases appropriate for those legal instruments could, among others include the following: i) Article 45-48 of the Treaty on the Functioning of the EU (TFEU) (free movement of workers); ii) Article 49 TFEU (freedom of establishment); iii) Articles 52, 53(1) and 56 TFEU (free movement of services and professionals); iv) Article 114 TFEU (establishment and functioning of internal market); v) Article 118 TFEU (intellectual property); vi) Article 169 TFEU (consumer protection); and vii) Article 207(2) TFEU (common commercial policy).</p>
<p><b>Practical need for EU action</b></p>
<p>The sound functioning of the single market is the joint responsibility of Member States and the EU. To enable the smooth cross-border provision of services and cross-border goods, action is needed at the EU level.</p>
<p><b>B. What does the initiative aim to achieve and how [max 25 lines]</b></p>
<p>The single market strategy's aim is to create a new momentum for a modernised single market for goods and services, taking into consideration the needs of businesses, workers and citizens.</p> <p>The Single Market Strategy will present an action plan listing initiatives that the Commission intends to put forward over the coming years to fully exploit the potentials of the single market to boost Europe's productivity. This will help support the EU's prosperity and social market economy, and fair green and digital transitions, and help ensure no one is left behind. A more integrated single market will boost an integrated home market for our companies, enabling them to scale up and compete globally.</p> <p>The strategy will focus on removing existing regulatory and administrative barriers and preventing new ones from materialising. Removing these barriers may necessitate proposing (revised) EU legislation, simplifying rules and procedures, supporting more uniform and more effective implementation of rules, and better enforcing existing rules.</p> <p>The strategy will focus on services, goods and horizontal single market governance. Services are paramount to economic competitiveness and prosperity, and the strategy will aim to promote the cross-border provision of services, including by tackling administrative barriers. Moreover, the strategy will seek to promote the cross-border movement of goods and ensure their safety and promote their sustainability.</p> <p>As regards single market governance, the strategy will seek to facilitate compliance and ensure correct implementation across all Member States. Improving the single market's governance framework will be guided by four main priorities: i) preventing barriers; ii) collaborating with Member States; iii) digitalising processes and procedures; and iv) enforcing agreed rules through corrective action where required.</p> <p>The strategy will be articulated closely with the Commission's strategy to reduce administrative burden and simplify legislation. The objective to reduce bureaucratic burden for businesses, especially for SMEs, will be inherent in initiatives announced in the strategy.</p> <p>The strategy will complement sector-specific political initiatives, such as the Energy Union, the Savings and Investments Union, the Union of Skills, the Affordable Housing action plan and actions to develop the Single Market for transport and telecommunication services.</p>
<p><b>Likely impacts</b></p>

<p>The strategy's impact will be better functioning of the single market, including a further integrated single market for services and goods with stronger cross-border investment and trade to boost Europe's productivity and support its prosperity and social market economy. A further integrated and digitally empowered single market will enable EU businesses – including SMEs – to scale up and make the most of the market in line with their needs and those of workers and citizens.</p>
<p><b>Future monitoring</b></p>
<p>The Commission will update the Parliament and Council annually on the state of play of the strategy's implementation, in particular by means of the Annual Single Market and Competitiveness Report as part of the annual policy cycle.</p>
<p><b>C. Better regulation</b></p>
<p><b>Impact assessment</b></p>
<p>As the Communication is setting out a general policy framework, it does not require an impact assessment. Legislative or other proposals that are likely to have a significant impact and policy options that are announced in the Strategy should be accompanied by impact assessments where appropriate.</p>
<p><b>Consultation strategy</b></p>
<p>The aim of the consultation activities is to obtain information on the functioning of the single market, including on:</p> <ul style="list-style-type: none"> <li>• barriers to the free movement of goods and services in the single market and possible ways of addressing them;</li> <li>• regulatory and administrative challenges in the single market and potential policy actions to address them;</li> <li>• the horizontal governance of the single market and the enforcement of its rules, and possible initiatives to improve them.</li> </ul> <p>Particular attention will be paid to the perspective of SMEs.</p> <p>The consultation will complement extensive information and evidence already collected on the functioning of the single market, for instance from the recent editions of the Annual Single Market and Competitiveness Report and Single Market Scoreboard, and in the context of the Letta and Draghi reports.</p> <p>The main stakeholders are businesses, including SMEs, and their representative organisations, social partners, civil society and authorities of the Member States (and European Economic Area countries).</p> <p>The Commission consults stakeholders through this formal Call for Evidence in all official EU languages. It will also: i) use its existing networks such as the Enterprise Europe Network and the SME Envoys Network; ii) organise dedicated meetings and events with stakeholders at EU and Member State levels; and iii) engage with other EU institutions.</p>