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Tackling non-tariff and non-tax barriers in the single market

European Parliament resolution of 17 February 2022 on tackling non-tariff and non-tax barriers in the single market (2021/2043(INI))

(2022/C 342/16)

The European Parliament,

- having regard to the Commission communication of 10 March 2020 entitled ‘Identifying and addressing barriers to the Single Market’ (COM(2020)0093),
- having regard to Article 3 of the Treaty on European Union,
- having regard to the Commission communication of 10 March 2020 entitled ‘Long term action plan for better implementation and enforcement of single market rules’ (COM(2020)0094),
- having regard to the Commission communication of 13 November 2020 entitled ‘New Consumer Agenda — Strengthening consumer resilience for sustainable recovery’ (COM(2020)0696),
- having regard to the Commission communication entitled ‘Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe’s recovery’ (COM(2021)0350),
- having regard to the Commission communication of 17 March 2021 ‘A common path to safe and sustained re-opening’ (COM(2021)0129),
- having regard to its resolution of 20 January 2021 on strengthening the single market: the future of free movement of services ⁽¹⁾, and to the opinion of the Committee on Employment and Social Affairs thereon,
- having regard to Regulation (EU) 2018/1724 of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012 ⁽²⁾ (‘the Single Digital Gateway Regulation’),
- having regard to the Opinion of the European Committee of the Regions — Single Market Barriers Report and Single Market Enforcement Action Plan (COR 2020/02355),
- having regard to the Opinion of the European Economic and Social Committee on (a) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — ‘Long term action plan for better implementation and enforcement of single market rules’ (COM(2020)0094) and (b) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — ‘Identifying and addressing barriers to the Single Market’ (COM(2020)0093) (EESC 2020/01412),
- having regard to the Commission staff working document of 10 March 2020 entitled ‘Business Journey on the Single Market: Practical Obstacles and Barriers’ (SWD(2020)0054),
- having regard to the Commission staff working document of 8 September 2020 entitled ‘Evaluation of the Vertical Block Exemption Regulation’ (SWD(2020)0172),
- having regard to the study of July 2020 by the European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs entitled ‘Territorial supply constraints in the EU retail sector’,

⁽¹⁾ OJ C 456, 10.11.2021, p. 14.

⁽²⁾ OJ L 295, 21.11.2018, p. 1.

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- having regard to the study of February 2018 by the Benelux Union entitled ‘Territorial Supply Constraints in the Retail Trade in Belgium, The Netherlands and Luxembourg’,
 - having regard to the study of November 2020 by the European Parliament Policy Department for Economic, Scientific and Quality of Life Policies entitled ‘Legal Obstacles in Member States to Single Market rules’,
 - having regard to the study of October 2020 by the European Parliament Economic Governance Support Unit entitled ‘Background Reader on the European Semester Autumn edition 2020 — The European Semester from a Parliamentary perspective’,
 - having regard to the study of February 2021 by the European Parliament Policy Department for Economic, Scientific and Quality of Life Policies entitled ‘The impact of COVID-19 on the Internal Market’,
 - having regard to the study of February 2019 by the European Parliament Policy Department for Economic, Scientific and Quality of Life Policies entitled ‘Contribution to Growth: The Single Market for Services — Delivering economic benefits for citizens and businesses’,
 - having regard to the Special report No 05/2016 of the European Court of Auditors of 14 March 2016 entitled ‘Has the Commission ensured effective implementation of the Services Directive?’,
 - having regard to the European Parliamentary Research Service study of April 2019 entitled ‘Mapping the Cost of Non-Europe’,
 - having regard to its resolution of 12 December 2018 on the single market package ⁽³⁾
 - having regard to Rule 54 of its Rules of Procedure,
 - having regard to the opinion of the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on the Internal Market and Consumer Protection (A9-0336/2021),
- A. whereas the single market accounts for 56 million European jobs and generates 25 % of EU GDP; whereas the agri-food sector is the EU’s biggest manufacturing sector in terms of jobs and value added;
- B. whereas sustainable development and high levels of social and environmental standards are prerequisites for a form of productivity compatible with the Sustainable Development Goals of the UN 2030 Agenda and the target of achieving climate neutrality by 2050;
- C. whereas protecting and promoting social, labour and trade union rights, including collective bargaining, fair wages and good working conditions, is an integral part of building a well-functioning, fair, inclusive and sustainable single market that delivers quality goods and services; whereas economic freedoms to provide goods and services should not prevail over or undermine fundamental rights, including social, labour and trade union rights;
- D. whereas a comprehensive assessment of the non-tariff barriers in the single market, especially in the agri-food sector, could be used to provide impetus to tackle these barriers;
- E. whereas any assessment of the barriers to the single market should be based, among other things, on the experiences and perceptions of businesses, workers and consumers who engage to some degree with the single market every day, as well as on the purpose of the single market rules; whereas existing single market barriers disproportionately affect or even penalise SMEs and microenterprises, and hinder their cross-border activities;

⁽³⁾ OJ C 388, 13.11.2020, p. 39.

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- F. whereas the functioning of the single market, the effective implementation of existing EU legislation and abolition of barriers is the responsibility of both the Commission and the Member States;
- G. whereas many barriers affecting the single market derive from incorrect or incomplete application of EU legislation, lack of proper transposition of EU law into national legal frameworks, lack of appropriate EU law measures targeting existing barriers, hindered access to necessary information, or from unilateral policy measures taken by Member States; whereas unnecessary regulatory intervention at EU level might also adversely affect the single market, creating barriers such as high compliance costs or legal uncertainty for individual consumers;
- H. whereas fragmentation, restrictive national regulations, inadequate or incorrect implementation, red tape and 'gold-plating', as well as the lack of enforcement or of appropriate EU law measures tackling the barriers may have negative consequences both at EU and national level, depriving citizens of jobs, consumers of choices, and entrepreneurs of opportunities;
- I. whereas a non-tariff barrier (NTB) is a disproportionate or discriminatory regulatory action which results in a burden or cost to be borne by a firm which seeks to enter a market, and which is not borne by firms already in the market, or a cost which accrues to non-national firms which is not borne by domestic firms, without prejudice to the Member States' right to regulate and the pursuit of legitimate public policy objectives such as protection of the environment and consumer or employment rights; whereas Parliament addressed non-tariff barriers in its resolution of 26 May 2016 ⁽⁴⁾;
- J. whereas 'gold-plating' means 'practices resulting in Member States introducing additional unjustified administrative requirements unrelated to the legislation objectives and that can undermine the smooth functioning of the internal market'; whereas gold-plating should, however, be differentiated from the setting of higher standards that go beyond EU-wide minimum standards for environmental and consumer protection, healthcare and food safety;
- K. whereas the current Commission has not yet come forward with a comprehensive legislative package addressing failures in the exercise of the core freedoms of the single market beyond enforcement, other than digital initiatives; whereas the Commission has prioritised the need for a better enforcement of existing single market legislation alongside a number of digital and green initiatives, paving the way for the twin transition;
- L. whereas the development and implementation of internal market legislation must always ensure the proper involvement of social partners and civil society organisations;
- M. whereas Parliament and the Council rejected some of the proposals of the 2016 Services Package;
- N. whereas a clear majority of businesses consider that the single market is not sufficiently integrated; whereas fragmentation of rules for cross-border commerce deeply affect business and consumers all over the internal market;
- O. whereas despite the efforts made in the past through multiple programmes and applications, traders often still struggle to find information on the rules and procedures for the cross-border provision of services and the sale of goods;

⁽⁴⁾ OJ C 76, 28.2.2018, p. 105.

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- P. whereas 71 % of SMEs that tried the current mutual recognition system for non-harmonised goods received a market access denial decision, and whereas the recent review of the regulation governing this system aimed to make it easier for companies to apply it by providing a better framework for national decision-making;
- Q. whereas the Professional Qualifications Directive ⁽⁵⁾ is a key instrument to ensure the proper functioning of the single market but the lack of automatic recognition instruments for qualifications and skills between Member States is impeding the mobility of professionals and thereby creating unjustified barriers;
- R. whereas the EU single market is a never finished project and the rapid speed of societal and technological developments may create new obstacles to the single market hampering its full execution;
- S. whereas digitalisation and the use of AI and new technologies have the potential to add significant value to the single market, helping to reduce the existing obstacles and burdens and allow for new business opportunities and the full functioning of the digital single market for the benefit of consumers and enterprises; whereas the use of new technologies and AI can be helpful to overcome some barriers in the digital single market;
- T. whereas the lack of harmonisation and insufficient minimum standardisation bring additional cost and reduce the safety of products in the single market while decreasing European competitiveness on the international markets;
- U. whereas for the single market framework it is vital to correctly balance economic freedoms, social rights, the interests of consumers, workers and businesses, and the general interest;
- V. whereas several non-tariff barrier-related petitions have been tabled recently to Parliament's Committee on Petitions (PETI), for example petitions 0179/2021 and 0940/2020;
- W. whereas the COVID-19 crisis has been a shock both to production and consumption, and has reshaped domestic and cross-border activities impacting on consumers, businesses, workers and the provision of services; whereas some of these effects may be temporary, but others will have lasting consequences on the shape and needs of the single market; whereas the response to the pandemic has sped up a shift to digital services; whereas the crisis has shown the importance of European integration, strong institutions and regulation; whereas arbitrary public procurement practices implemented during the COVID pandemic have severely affected the internal market and posed serious threats to transparency; whereas the current difficult situation requires the elimination not only of COVID-related restrictions but also of unjustified barriers that have remained in the internal market for years, in order to improve and deepen the single market, which is one of the ways out of the crisis;

The state of the single market and its policy objectives

1. Welcomes the Single Market Governance Package of March 2020, which aims to improve the implementation and enforcement of European legislation by initially presenting an overview of existing and upcoming initiatives; considers as well that legislative and enforcement deficiencies remain, which are hampering the proper functioning of the single market; considers in particular that initiatives to improve the single market for services are lacking;
2. Supports the Commission's communication on a long term action plan for better implementation and enforcement of single market rules, and especially the proposals to reinforce SOLVIT as a tool for single market dispute resolution, increase the role of the Commission to assist Member States in transposing EU law correctly, fully and on time in order to secure harmonised interpretation and avoid gold-plating, create a single market obstacles tool under the Single Digital Gateway,

⁽⁵⁾ Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications (OJ L 255, 30.9.2005, p. 22).

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and allow citizens and businesses to report anonymously on regulatory obstacles encountered by them in exercising their internal market rights;

3. Points out that the price for inadequate implementation is paid by both businesses and consumers and encourages the Commission to prioritise adequate enforcement actions;

4. Stresses the efforts to ensure that the proper functioning of the single market goes hand in hand with efforts to achieve the EU's fundamental objectives in respect of sustainable development and a social market economy, as well as a high level of protection and improvement of the quality of the environment;

5. Underlines that the single market remains one of the greatest achievements of the European Union; urges the Commission, therefore, to aim resources towards issues affecting the single market, in particular unjustified non-tariff barriers (NTBs), which prevent the realisation of the single market's full potential for consumers, workers and businesses, especially SMEs, by creating unnecessary and unfair barriers to the free movement of goods and services;

6. Acknowledges that stronger monitoring also by the Member States, regulatory prudence, the simplification of how the current EU regulatory framework is applied and an increased political emphasis on the single market are likely to be needed in order to effectively remove such barriers and further deepen single market integration;

7. Recognises the fundamental importance of consumer protection policy as a factor strengthening the single market and contributing to its integration;

8. Calls on the Commission to use the resources of the single market programme to strengthen the single market's governance and improve its functioning, in particular with regard to non-tariff barriers;

9. Calls on Member States to respect the integrity of the single market by better exchanging information on and coordinating the implementation of EU law, facilitated by the Commission, to refrain insofar as is possible from introducing deviating national rules and to seek solutions at European level, to apply Better Regulation guidelines for introducing national rules, provide proper impact assessments and support stakeholders so they can properly contribute to the decision-making process, and to apply all rules in a justified, proportionate and non-discriminatory manner;

10. Underlines that the full achievement of the objectives in the Green Deal and European digital agendas mainly depends on the effective functioning of the single market and appropriate public policy, which is a key enabler of market efficiency and innovation and one of several tools for modernising European economies; believes, therefore, that the single market's shortcomings deserve the same level of attention as the Green Deal and the European digital agenda; underlines that other European policies should take into account the rules of the single market and must respect its principles; reaffirms its own commitment to developing and safeguarding a robust, sustainable consumer-, worker- and business-friendly internal market;

11. Regrets that a number of NTBs might impede the EU's industrial strategy goals, especially reshoring of production and strengthening the resilience of the European economy; underlines that a solid integrated single market where NTBs are eliminated is a precondition for attaining the EU's industrial strategy goals;

12. Urges the Member States to ensure that they act proportionally and in strict alignment with legitimate public policy objectives such as public health, the environment, public services and the general interest; regrets, however, that some Member States still refer to public interest to isolate their domestic markets; highlights, furthermore, that requirements such as unfounded territorial restrictions, unnecessary language requirements and economic needs tests create unjustified barriers within the single market and calls on the Commission to improve the monitoring of Member States in this regard, including legal notification obligations;

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13. Deplores the fact that according to a Parliament study, the number of infringement proceedings against Member States in the field of the single market rose between 2017 and 2019, reaching 800 in 2019, its highest level since 2014;

Barriers to the free movement of goods and services

14. Points out that the Commission and stakeholders have identified a group of key unjustified barriers to cross-border activities, among others:

- (a) regulatory disparities and inconsistent implementation of EU law, which complicate cross-border exchanges and force companies to commit resources to the laborious process of analysing EU law provisions, diverting investments away from activities that create jobs or support growth;
- (b) inadequate enforcement of EU legislation as well as long and complex procedures to resolve breaches of EU law;
- (c) burdensome and sometimes complex administrative requirements or practices, such as repeated persistent inspections and sanctions disproportionate to the offense, insufficient and inaccessible or non-existent information and limited lines of communication with public administration, which also limit the possibilities for new or competing services in new locations that would grant more choice for consumers;
- (d) territorial supply constraints (TSCs) which clearly hamper the development of the single market and its potential benefit to consumers;
- (e) additional technical requirements adopted at national level that generate excessive and unjustified administrative burdens which could undermine the smooth functioning of the internal market;
- (f) lack of effective tools and mechanisms to facilitate knowledge of existing obligations or lack of harmonised technical standards, increasing compliance costs for companies operating across borders;
- (g) lack of transparency and information and complex procedural requirements which increase the difficulty of accessing cross-border procurement, particularly for small and medium-sized enterprises (SMEs);
- (h) insufficient rules for cross-border e-commerce;
- (i) difficulties in resolving commercial and administrative disputes in a timely manner;

15. Notes that concrete examples of above-mentioned barriers have already been reported by EU companies functioning in the internal market, including, for example, requirements on foreign service providers to register a company in a trade and companies register of a host Member State, even if they only send workers to the territory of the host Member State on a temporary basis and have no infrastructure there from which they would carry out activities in a habitual, stable and continuous manner;

16. Stresses that the most effective way to reduce fragmentation of the single market is to seek harmonisation where possible; stresses that this harmonisation should not lead, however, to more regulatory burden for companies;

17. Highlights that upholding the rule of law strengthens the integrity of the single market and reminds Member States of their legal notification obligations;

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18. Emphasises that the NTBs, among others, severely impact the services sector and thereby other segments of the economy underpinned by the services sector; highlights, furthermore, that the Commission still has identified 24 specific restrictions across 13 sectors which breach rules established by the Services Directive⁽⁶⁾, including some which are discriminatory or are requirements on establishment or nationality; notes that the objective of the exercise was to document the presence or absence of restrictions, and that the assessment of proportionality of restrictions was outside the scope of the exercise and the exercise did not assess whether the relevant restriction was justified or proportionate;

19. Acknowledges that the report shows a small decrease in the level of barriers in almost all the sectors assessed which calls for further assessment by the Commission; emphasises, however, that according to the Commission, mapping of the reduction of barriers in the different services sectors was slow from the implementation of the Services Directive in 2006 until 2017, and that for the retail sector the mapped barriers even increased between 2011 and 2017, thereby eliminating progress made;

20. Regrets that some of the identified restrictions under the Services Directive come as a result of the legal uncertainty it has triggered since its entry into force with regard to its scope, in particular for SMEs in the tourism sector;

21. Points out that public services enjoy special protection in respect of the internal market rules because of the general interest role they fulfil, meaning that the rules set by the public authorities for their proper operation do not constitute non-tariff barriers; points out, in this regard, that social services and health services fall outside the scope of the Services Directive;

22. Calls on the Commission and the Member States to increase their efforts to remove barriers to retail and act expeditiously when new barriers are identified; calls on the Commission to prepare guidance on the proportionality of retail authorisation procedures in order to increase legal certainty and predictability for retail and to present a new action plan for the European retail sector by mid-2022;

23. Recalls that a considerable number of problems with the cross-border provision of services stem from administrative practices and not from incompatibility with EU law;

24. Calls on the Commission to continue developing guidelines to address underperforming legislation; points out that the lack of a common interpretation of EU laws facilitating the free movement of workers might lead to a lack of legal clarity and bureaucratic burdens for companies and workers providing services in various Member States; calls on the Commission to support Member States in the transposition process to guarantee a more harmonised approach;

25. Regrets the insufficient use of the notification procedure under the Services Directive and the TRIS notification system⁽⁷⁾; highlights that this undermines the Commission's ability to ensure that new services laws are compliant with the Services Directive; calls on Member States to fulfil their notification obligations under the Services Directive; calls on the Commission to bring forward an action plan by mid-2022 on improving the current framework; notes in that regard the Commission's intention to update the handbook on implementation of the Services Directive to incorporate aspects arising from the most recent case law and to improve enforcement of the directive;

26. Stresses that barriers may also derive from the limited capabilities of national administrations to provide services in other languages, and from shortages of relevant training and infrastructure; calls on Member States to ensure that information and documents relating to market access are not only available in the official language of the Member State but also in English or the other most-used language in the local economy;

⁽⁶⁾ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (OJ L 376, 27.12.2006, p. 36).

⁽⁷⁾ Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services (OJ L 241, 17.9.2015, p. 1).

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27. Calls on the Commission and Member States to adopt handy, concise, and ready-to-use tools for national authorities to address incorrect practices and violations and enforce internal market rules;

28. Recalls that public policy, public health or public security can be invoked by a Member State only where it can prove the existence of a genuine, sufficiently serious threat affecting one of the fundamental interests of society; finds unacceptable, therefore, any form of state sponsored discrimination, for example against people with disabilities or based on economic position, nationality, age, racial or ethnic origin, religion or belief, profession, sex or sexual orientation (including LGBTIQ-phobia); considers that such discrimination may restrict the freedoms of the internal market and thus establish a non-tariff barrier affecting the free movement of goods and services, as it prevents goods producers and service providers from delivering the same goods and services equally throughout the EU and consumers from benefitting from the achievements of the single market;

29. Welcomes the significant improvements to the free movement of goods in recent years thanks to regulations such as Regulation (EU) 2018/302⁽⁸⁾ (Geo-blocking Regulation), Regulation (EU) 2019/1020⁽⁹⁾ (Market Surveillance and Compliance of Products Regulation), and most importantly thanks to Regulation (EU) 2019/515⁽¹⁰⁾ (Mutual Recognition of Goods Regulation); recalls that the principle of mutual recognition applies only to non-harmonised goods and stresses the importance of top-down harmonisation in order to ensure a high level of product safety and consumer protection; believes that thorough application of the principle of mutual recognition and the instruments recently defined by Regulation (EU) 2019/515 would efficiently advance the agenda of the single market, especially in the areas where difficulties remain;

30. Takes the view that the adoption and implementation of the Geo-blocking Regulation has been beneficial for consumers in facilitating cross-border purchases; recalls, however, that certain obstacles persist, particularly in the provision of audiovisual services and content, and that this manifests itself in reduced consumer confidence in cross-border online shopping; calls on the Commission, as part of the evaluation report scheduled for 2022, to propose ways to remove unjustified and ineffective geo-blocking and to strive to build a harmonised digital single market;

31. Highlights the existence of discriminatory and anti-competitive practices such as territorial supply constraints, which are hampering the development of the single market and undermining its potential benefits to consumers; calls on the Commission to come forth with adequate measures to eliminate territorial supply constraints and thereby reduce barriers to cross-border trade with a view to achieving a fully functioning single market;

32. Welcomes the fact that the harmonisation of qualifications through mutual recognition has already contributed to the growth of the single market in relation to several professions; regrets, however, that further advancement is seriously restricted by administrative barriers imposed by Member States; underlines that the mutual recognition of diplomas, qualifications, skills and competences between Member States would strengthen the free movement of workers and services and urges Member States to extend mutual recognition to all possible levels of education and training and to improve or introduce the necessary procedures for such an extension as soon as possible;

33. Recalls the specific status that regulated professions have within the single market and their role in addressing the public interest, but also underlines that this specific status should not be used to maintain unjustified barriers resulting in the fragmentation of the single market;

34. Encourages the Member States to eliminate undue restrictions on professional qualifications and the Commission to remain vigilant in pursuing infringement procedures where Member States do not comply with EU legislation on the recognition of qualifications;

⁽⁸⁾ Regulation (EU) 2018/302 of the European Parliament and of the Council of 28 February 2018 on addressing unjustified geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market (OJ L 60 I, 2.3.2018, p. 1).

⁽⁹⁾ Regulation (EU) 2019/1020 of the European Parliament and of the Council of 20 June 2019 on market surveillance and compliance of products (OJ L 169, 25.6.2019, p. 1).

⁽¹⁰⁾ Regulation (EU) 2019/515 of the European Parliament and of the Council of 19 March 2019 on the mutual recognition of goods lawfully marketed in another Member State (OJ L 91, 29.3.2019, p. 1).

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35. Recalls that the Professional Qualifications Directive is built on the principle of equal treatment and the prohibition of discrimination on grounds of nationality;
36. Calls on the Commission and the Member States to continuously increase awareness among businesses and workers that might lack knowledge on mutual recognition and other relevant rules facilitating cross-border operations;
37. Calls for the European Qualifications Framework to be promoted and its application to be facilitated throughout the EU, so that it becomes a widely accepted recognition instrument;
38. Regrets the insufficient access to information in relation to labour mobility in the services sectors, and is concerned by burdensome procedures in certain Member States for obtaining essential documents and the on-going problems with providing citizens with an A1 form in a timely manner; underlines that access to information, for example on domestic collective agreements where applicable and relevant, as is required under Directive 2014/67/EU⁽¹¹⁾ should be improved to facilitate compliance for businesses and information for workers; insists that this information should be available via the Single Digital Gateway; calls on the Commission and the European Labour Authority to take appropriate steps in order to improve access to information;
39. Urges the Commission to introduce — as planned — a digital form for the declaration of the posting of workers in the first quarter of 2022, as outlined in its update of the 2020 new industrial strategy, establishing a simple, user-friendly and interoperable digital form that suits the needs of European companies and in particular SMEs;
40. Recalls that access to information is essential and must be made as easy as possible for users; takes the view that the measures taken to improve access to information on applicable rules and obligations for businesses as part of the Goods Package are a welcome development in facilitating cross-border trade while maintaining a high level of consumer protection; calls for sufficient resources to be allocated for the establishment of one-stop shops;
41. Takes note of the increasing number of urban vehicle access regulations applied to both private and commercial vehicles; asks the Commission to assess whether coordination is needed at EU level;
42. Stresses that the proper functioning of the single market is key to safeguarding sufficient supplies of affordable and high-quality products, including agri-food products, across the EU;
43. Highlights the importance of enhancing the dynamism and resilience of EU supply systems, including at regional and local levels, and of strengthening short, smart and integrated supply chains to ensure continuous product supplies throughout the EU;
44. Stresses the need to ensure that the single market is as harmonised as possible through a uniform, EU-wide approach to labelling that can both remove barriers to the functioning of the single market and ensure that the information provided to consumers remains clear, transparent, traceable and understandable;
45. Welcomes the adoption of the revised Unfair Commercial Practices Directive⁽¹²⁾ and the Commission's incentives to that end and supports the work and findings of the Joint Research Centre, all of which seek to address the issue of dual quality;

Digitalisation and use of AI in addressing single market barriers

46. Underlines the importance of a fully functioning digital single market that benefits consumers and enterprises and asks for SMEs to be supported in order to face the obstacles and struggles in their digital transformation;

⁽¹¹⁾ Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (OJ L 159, 28.5.2014, p. 11).

⁽¹²⁾ Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market (OJ L 149, 11.6.2005, p. 22).

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47. Believes that digitalisation and emerging technologies such as AI can contribute to achieving the objectives of the EU and deepen the internal market; stresses that, if such technologies are used correctly, they can be positive and transformative and address many challenges to eliminate obstacles in the single market;

48. Calls on the Commission to further assess allowing and encouraging the use of digital solutions which can help to provide mandatory product or packaging information without the need to increase packaging size or to repackage;

49. Welcomes the Commission's proposals for a digital services act (COM(2020)0825) and a digital markets act (COM(2020)0842) and asks for the Commission and the Member States to adopt frameworks which are coherent with the other policies of the internal market and the EU; considers that it is of the utmost importance for companies and especially SMEs and consumers to have a clear, harmonised and robust set of rules;

50. Welcomes the Commission's plan to establish a single European information entry point for control authorities on non-food products;

51. Calls on the relevant EU and national authorities to take appropriate steps aimed at developing a single template for official national websites and to make them compatible with the Single Digital Gateway so as to improve access to relevant information among Member States;

52. Recognises that numerous barriers stem from the limited capacity of administrations to deliver high-quality services in cross-border settings; believes that digitalisation of public services and fully-fledged eGovernment capabilities remain essential to eradicate some of the onerous NTBs; calls on the Commission to promote the use of digital tools and urges Member States to commit fully to the digitalisation of public services; stresses the importance of developing and using interoperable and open source eGovernment tools with a view to fostering the development of internationally compatible eGovernment procedures; recalls, in this regard, that the key provisions of the single digital gateway had to be in force in all EU Member States by 12 December 2020; underlines the importance of the 'digital-by-default' and 'once only' principles, which will save citizens and businesses time and money, in particular if used more widely; welcomes the proposal to add a single market obstacles tool to the single digital gateway;

53. Regrets that the implementation of the Single Digital Gateway is moving slowly; calls on Member States to dedicate sufficient resources to swiftly implementing the Single Digital Gateway in an SME-friendly way by providing user-centred information on single market rules and administrative procedures in order to make it a virtual one-stop shop as far as possible; calls on the Member States and the Commission to extend the scope of the Single Digital Gateway to all business-relevant administrative procedures;

54. Highlights that SOLVIT has a high potential to become the main informal problem solving tool for businesses and consumers in cases of misapplication of EU law; welcomes the Commission proposal to make SOLVIT the default tool for single market dispute resolution; takes the view that this requires greater awareness-raising regarding the existence of these dispute resolution instruments;

55. Notes that despite the awareness-raising activities of the Commission and Member States, SOLVIT is still unknown to many citizens and businesses; stresses that further measures should be taken by the Commission and Member States to increase its profile;

56. Notes that SOLVIT is based on recommendation rather than law and cannot make legally binding decisions; underlines that substantial improvements can be made to SOLVIT's operations;

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57. Notes that many SOLVIT centres are still understaffed, and lack resources and relevant training for staff, and, therefore, the necessary knowledge; calls on the Commission and the Member States to ensure that SOLVIT centres have adequate resources to operate as requested by the Commission in communication COM(2017)0255;

58. Draws attention to the fact that unjustified, disproportionate and discriminatory control practices applied by Member States, including excessive fines or access to competitive company data, are also a form of barrier within the internal market; notes that European companies are regularly reporting examples of such practices either via SOLVIT, petitions submitted to the PETI Committee or complaints to the Commission;

59. Stresses the need for an approachable and accessible contact point for European citizens, businesses and their representatives to raise measures taken by Member States which hinder the EU single market; highlights the need for a smooth follow-up to these complaints in order to tackle the unjustified barriers to the single market as quickly as possible;

60. Recalls that the international road haulage sector is subject to NTBs restricting access to national markets, which limit its competitiveness;

61. Highlights the importance of harmonisation of standards for the internal market and stresses the importance of better involving stakeholders and businesses in the harmonisation process in order to avoid unnecessary barriers to EU single market access;

Enforcement and compliance monitoring

62. Welcomes in principle the Single Market Enforcement Taskforce (SMET) which aims to assess compliance of national law with single market rules and prioritise the most pressing barriers, address gold-plating and discuss horizontal enforcement issues; points out that the SMET should not just identify problems but also propose possible solutions; calls on the Commission and the Member States to ensure greater inclusion of stakeholders in the workings of the SMET;

63. Recalls that so far the Commission's plan to step up enforcement of EU law by means of the SMET, which held its first meeting in April 2020, has only delivered limited results; regrets that the SMET's working methods lack transparency; calls on the Commission and the Member States to improve the transparency of the SMET and to include stakeholders in its meetings, as well as to ensure that the SMET publishes lists of participants, agendas and minutes of its meetings on the Commission's website; calls on the Commission to present concrete outcomes of the work of the SMET by the end of 2022, and to deliver them to Parliament's Committee on the Internal Market and Consumer Protection and the Competitiveness Council in accordance with its communication of 10 March 2020 on a long term action plan for better implementation and enforcement of single market rules (COM(2020)0094);

64. Calls on the Commission to present regularly, at least every three years, a report on NTBs, to expand the existing Single Market Scoreboard in a transparent manner, and to list the infringement procedures and the national regulations suspected of contravening EU law;

65. Calls on the Commission and the Member States to consistently, speedily and rigorously assess whether national rules hinder the internal market, and where they do, to assess if they are necessary, non-discriminatory, proportional and justified as stipulated by Directive (EU) 2015/1535 on the provision of information on technical regulations and Directive (EU) 2018/958⁽¹³⁾ on access to regulated professions; notes that proper impact assessments and well-explained justifications are missing, especially regarding national product and services rules; calls on the Commission to make quick decisions on complaints to ensure that relevant issues from an end-user perspective are handled promptly and settled efficiently;

⁽¹³⁾ Directive (EU) 2018/958 of the European Parliament and of the Council of 28 June 2018 on a proportionality test before adoption of new regulation of professions (OJ L 173, 9.7.2018, p. 25).

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66. Recalls that throughout the regulatory lifecycle, Member States and the Commission must share the responsibility of ensuring that single market rules are complied with, also taking into account the Paris Agreement and the European Pillar of Social Rights, and that citizens' rights, including workers' and consumer rights, are enforced; stresses the need for EU-wide harmonisation of rules on the frequency and quality of checks and other market surveillance activities, particularly in respect of product safety, and for the promotion of tools for the exchange of information between national authorities with a view to strengthening cooperation in this area;

67. Calls on each Member State to ensure that all competent authorities within their jurisdiction have all the minimum powers as well as the budget and staff necessary to ensure the proper application of the internal market *acquis*;

68. Points to the importance of proportionate surveillance, inspection and sanctioning by relevant authorities of economic operators, regardless of their Member State of establishment, who do not comply with legislation; stresses that it is essential not only to make use of instruments for market surveillance cooperation between national authorities and the Commission, but also to develop new ones to give advance warning of non-compliance problems that jeopardise consumer safety, in particular by providing increased supervision at European level;

69. Stresses the importance of an increased level of harmonisation that includes effective and efficient enforcement cooperation among the competent authorities in order to detect, investigate and order the cessation or prohibition of infringements;

70. Stresses the importance of monitoring, and therefore welcomes the Single Market Scoreboard as a performance monitoring tool; emphasises the need for a recurring debate on the outcomes of the Scoreboard at the highest political levels, ensuring political commitment to tackling the obstacles identified, not only from a business perspective, but also with regard to the challenges experienced by workers, consumers and citizens, taking due account of social and environmental policy considerations;

71. Welcomes capacity building for national public administrations, public procurement professionals, judges and other legal practitioners for which funding is possible under the reform support programme;

Barriers to the single market due to the COVID-19 response

72. Recalls that the initial response to the pandemic by Member States and the Commission did not take into account the needs of the single market, and recalls the serious impact this has had on the free cross-border movement of goods, persons and services; believes that further assessment of the pandemic's impact on the single market will be necessary in order to draw conclusions from the COVID-19 crisis;

73. Calls on the Member States, in the event that the pandemic situation deteriorates, to fully implement the Commission's guidelines concerning the exercise of the free movement of workers during COVID-19 outbreak and Commission communication entitled 'Towards a phased and coordinated approach for restoring freedom of movement and lifting internal border controls' (C(2020)3250) in order to allow workers, in particular transport, frontier, posted and seasonal workers, and service providers to cross borders and have unhindered access to their place of work;

74. Welcomes the NextGenerationEU recovery package, the EU guidelines for border management, transport green lanes, the EU Digital COVID Certificate to facilitate free movement, and further measures which aim to allow the single market to operate normally;

75. Regrets that some Member States have introduced additional travel restrictions such as quarantine for some holders of the EU Digital COVID Certificate; notes that these restrictions are particularly burdensome for cross-border and posted workers and truck drivers;

76. Recalls the importance of ensuring that COVID-19 measures do not affect the flow of products, especially food, within the EU, including when it comes to territories not connected to mainland Europe;

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77. Notes that the COVID-19 pandemic has led to certain restrictions between and within the Member States, in addition to a decline in the hotel, restaurant and catering sector, with a devastating impact on food production;

78. Takes the view that sustainable development, fair transition, social inclusion and the creation of quality jobs must pave the way to recovery;

79. Welcomes the Commission's proposal to present a Single Market Emergency Instrument; calls on the Commission to develop it as a legally binding structural tool to ensure the free movement of persons, goods and services in case of future crises;

80. Calls on the Commission and Member States to proactively use the lessons learned and to develop a response plan for emergencies, which should aim to assure a joint response and safeguard as far as possible the free movement of services, goods and persons, especially cross-border workers; recalls the need for prompt notification by Member States of national measures which limit the free movement of goods and services;

81. Welcomes the Commission's proposal for a regulation on serious cross-border threats to health and repealing Decision No 1082/2013/EU (COM(2020)0727), in particular its proposal for the creation of a mechanism for control of restrictions on exports of medical equipment in the internal market;

82. Stresses the urgent need to widen access to digital services and technologies which are essential during emergencies for the smooth functioning of the single market and for access to public services by citizens and businesses through eGovernment solutions; recognises digital exclusion and lack of internet access as some of the most significant non-tariff barriers to the digital transformation of the EU single market;

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83. Instructs its President to forward this resolution to the Council and the Commission.
