

Press Release

25 September 2024

Brussels

Future of the Single Market for Services in the EU: Lunch Debate Summary

On 25 September 2024, the Union of Entrepreneurs and Employers Brussels Office, in collaboration with the European Enterprise Alliance organized the event titled "The Future of the Single Market for Services in the EU" with Kosma Zlotowski that hosted the event in the parliament, Michał Kobosko, Member of the European Parliament took the floor speaking and a keynote was delivered by Ignacy Niemczycki, Undersecretary of State in the Ministry of Economic Development and Technology of Poland.

"To unlock the potential of the services sector, we need streamlined actions and cooperation across Member States. The future of Europe's economy depends on it."

— Ignacy Niemczycki, Undersecretary of State in the Ministry of Economic Development and Technology of Poland

Kosma Zlotowski, Member of the European Parliament as the host of the event welcomed and underscored the importance of removing barriers within the single market, particularly those affecting Polish businesses. Zlotowski reflected on his past work, noting the success of his earlier report, which highlighted the detrimental impact of over-regulation on businesses, especially SMEs. He emphasized the need for collaboration among Polish MEPs across political groups to advocate for Polish businesses in Brussels.

Michał Kobosko, Member of the European Parliament, followed Zlotowski, focusing on the broader challenges facing the single market for services. He highlighted the increasing complexity of cross-border service provision and urged legislators to take a bold approach. He welcomed the European Commission's intention to introduce a *Single Market Barriers Prevention Act* but expressed concern that the current proposals might not go far enough to address the deeper issues. Kobosko stressed the need for a concrete action plan and called for services to be placed at the heart of the EU's economic strategy.

Jakub Bińkowski, Director of the Department of Law and Legislation at ZPP, provided a comprehensive presentation on regulatory challenges in sectors such as transport, telecommunications, and financial services. Bińkowski cited striking statistics, noting that only 6% of intra-EU trade in services occurs between member states, a figure that has not significantly improved in two decades. Bińkowski called for urgent action to reduce the number of regulated professions and align national standards across the EU, which would facilitate the free movement of workers and services.

Aleksei Trofimov, Policy Coordinator at the European Commission's DG GROW (Industrial Policy and Single Market), spoke about the Commission's three-pronged approach to removing barriers: implementation, enforcement, and ongoing dialogue with member states. He emphasized that the Commission remains committed to addressing fragmentation and ensuring that existing regulations are properly enforced, but highlighted the political challenges of achieving more widespread reform.

Marcin Nowacki, EESC Member and President of the European Enterprise Alliance provided an industry perspective, emphasizing the real-world impact of regulatory fragmentation. Nowacki highlighted the difficulty faced by SMEs in providing cross-border services, pointing to sectors like real estate and medical services as examples where national regulations create unnecessary barriers. He also raised the issue of the mobility package and the posting of workers, which he argued have become overly complex and restrictive.

Tomasz Bęben, President of the Association of Distributors and Manufacturers of Automotive Parts, discussed the difficulties facing the automotive industry in transitioning towards sustainability while remaining competitive. He highlighted the imbalance between EU regulations and the realities faced by European manufacturers, who must compete against companies in China and the US with fewer regulatory constraints. He welcomed further discussions during the Polish Presidency and expressed optimism that the EU could adopt a more balanced approach.

Niclas Poitiers, Research Fellow at Bruegel, provided a macroeconomic overview, focusing on how the fragmented services market is weakening Europe's overall competitiveness. He stressed that although manufacturing tends to dominate discussions about European competitiveness, services represent a critical component of the EU's economic success.

Lusyne Kesziszan, Public Affairs Manager at the European Enterprise Alliance, focused on the challenges and opportunities in advancing the Single Market for services, which continues to lag behind the progress made in the goods.