

## **Exploiting the full potential of the EU's Internal Market**

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The EU's Internal Market has since its establishment undoubtedly brought numerous benefits and created new opportunities through the free movement of goods, services, capital and people. But progress does not always happen smoothly. The efforts to exploit the full potential of the Single Market through the removal of existing administrative obstacles are a work-in-progress for the EU institutions and the Member States so that the Single Market brings social progress and is beneficial for consumers, workers and small enterprises.

The Single Market Scoreboard was developed by the European Commission as a tool to give an overview of the practical management of the EU's Single Market by comparing the Member States' performance in terms of the governance tools and policy areas monitored, including: the correct transposition of EU directives; infringement proceedings; administrative cooperation networks; and various information and problem-solving services.

The latest Scoreboard, published last week, shows that in the last six months, the average transposition deficit - the percentage of Single Market Directives that have not been transposed into national law in time - has remained unchanged at 0.7%. Malta's transposition deficit stands at 0.2% - just two Directives short of a 0% deficit which is considered a perfect score. Malta's score is significantly below both the EU average and the deficit target set by the Member States (1%).

The Scoreboard also places Malta as the Member State which takes the least time in transposing EU measures, where a previous average delay of 19.2 months in the previous edition was reduced to just 3.6 months.

On Single Market related infringement proceedings, the EU average number of pending cases has increased for the first time since November 2008. The major concerns continue to be mainly in the areas of the environment, taxation and transport. Malta continues to be one of the EU Member States with the fewest pending infringement proceedings concerning the single market. With only eleven pending cases, Malta placed second among all Member States.

### **A Work-in-Progress**

The Scoreboard has shown that Member States have stepped up their efforts in making the Single Market rules work in a predictable and reliable manner. To this end, the Italian Presidency of the EU Council (July 1 – December 31, 2014) intends to launch a debate on the future of the Single Market within the framework of the mid-term review of the Europe 2020 Strategy. The review, led by the European Commission is designed to take stock of the progress made so far in achieving the goals and targets of Europe 2020 and to set the pace for possible re-enforcement or adaptation of the strategy. Within this context, the Presidency intends to encourage each Member State to highlight a target area where action may be needed to further develop the Single Market and possible measures to be taken (e.g. review of EU legislation, soft law, peer reviews), in order to help find common ground on a set of measures to increase Europe's economic integration.

Special efforts will be made by the Italian Presidency to complete the proposals put forward in the Single Market Act II (launched in 2012) such as the measures to encourage long-term investment in the real economy. Other main areas include services, the digital single market and the single energy market. To foster growth, particular attention will also be paid to reducing the remaining unjustified obstacles which are hampering the creation of an efficient and competitive Single Market, in particular where the Services Directive is concerned.

The Presidency will accord special priority to policy areas which have a positive short and medium-term impact on EU competitiveness, with a special focus on SMEs, linked to the capital drivers for growth: industrial competitiveness and innovation, trade and export policies.

All in all, the success of the endeavour to truly make the Single Market an engine for growth and increased welfare in the EU will depend on whether Single Market rules are applied on the ground efficiently and in a spirit of partnership by all actors. To this end, the transposition and day-to-day implementation of Single Market rules by the Member States is of paramount importance.