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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

The Single Market: our European insurance in today's uncertain world

Strategy for a Single, Simple and Seamless Market

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The Single Market: our European insurance in today's uncertain world

Strategy for a Single, Simple and Seamless Market

The European Market, our home Single Market, is a powerful catalyst for growth, prosperity and solidarity. With a GDP of EUR 17 trillion, it is the second largest economy in the world, accounting for almost 18% of the global economy¹ providing the EU with scale, strength and agility. Bringing together 450 million consumers and 26 million companies, the European Market offers access to a wide range of products, services and investment opportunities. It also offers stability, through rule of law and a predictable investment and business environment. The European Market embodies the values of the social market economy that unites freedom and prosperity for all. It provides opportunities for businesses and citizens and protects workers and consumers.

The European Market creates prosperity and is the first driver of our competitiveness. It has increased EU GDP by at least 3-4%² and created 3.6 million jobs³. Further completing the Single Market could generate extra benefits of around EUR 1.3 trillion per year⁴. To respond to geopolitical challenges, we must use its full potential to increase productivity above its sluggish 1% growth trend⁵. We must use the European Market to regain the competitiveness⁶ needed to protect Europe's social welfare state, address climate change and secure our strategic sovereignty⁷ and security⁸.

While the world is plunging into a period of economic uncertainty caused by trade tensions, our European Market is a safe haven. It provides opportunities for companies and choice for consumers. It allows absorbing shocks and shields EU businesses from global uncertainties and market risks. Europeans are each other's first partners, exchanging European-made products and services. Developing our European market requires reducing barriers preventing smooth circulation of goods, services, people and capital. It is crucial to strengthen European value chains, business cases for investment and lead markets, using our available instruments including public procurement. All it takes to make up for a 20% fall in the goods exports to the US, is a 2.4% increase in intra-EU goods trade⁹.

¹ IMF, World Economic Outlook (October 2024)

² Strathof et al. (2008); Mayer et al. (2018); Mion and Ponattu (2019)

³ Muller et al. (2017)

⁴ EPRS (2023): '[Increasing European added value in an age of global challenges - Mapping the cost of non-Europe \(2022-2032\)](#)'.

⁵ The productivity gap with the US stood at 22% in 2023.

⁶ Former Prime Minister Letta: "Much more than a market"

⁷ Former Prime Minister Draghi: "The future of European competitiveness – A competitiveness strategy for Europe"

⁸ Former President Niinistö: "Safer Together – Strengthening Europe's Civilian and Military Preparedness and Readiness"

⁹ Commission calculations.

It is imperative that we reinvigorate our vision of a single, simple and seamless European Market. At the core of this vision lies a contract with businesses and citizens: more free movement within the Single Market, and more protection of our Single Market at its borders. This requires concrete and actionable policy measures that are respected and enforced both at European and national level. While this has always been the aspiration, it now needs to become a reality. Most of the barriers we find today are the same as 20 years ago. The current global context calls for the political will to tackle these barriers once and for all. A new approach is warranted to deliver this time. Not by adding an additional layer of rules. But rather by adding an additional layer of ambition and commitment by all to make them work.

A new method for the European Market

This Strategy presents a new approach to developing further our European home market. It consists of the following pillars:

I. Less barriers: Joint and focussed efforts to take down the most harmful European Market barriers - doubling down efforts to tackle the ‘Terrible Ten’. Too many obstacles continue to tie down the Single Market, negatively impacting trade and investment¹⁰. All of them must and will be addressed. But we need to keep focus. This is why in this Strategy we propose to address, as a first priority, the ten worst Single Market barriers.

II. More services: A new approach to boost European services markets. The proposed sectorial approach will zoom in on specific services sectors that are the most relevant for the twin transition and could bring the highest economic added value.

III. More SME focus: Small and medium-sized enterprises (SMEs) are among the most affected by regulatory and administrative market fragmentation and stand to gain the most from a more integrated European home market. This Strategy puts forward a series of actions enabling SMEs to make the most of their European home market.

IV. Faster and more digital: The effective functioning of our European Market is a joint responsibility of the EU and the Member States. It depends on the smart implementation and enforcement of agreed policies. Digitalisation can boost a joint administration and speed up and simplify doing business in the EU. Effective enforcement of agreed rules remains key. It requires proactive action to prevent the introduction of new barriers, joint work on the interpretation and application of rules and legal corrective action where required.

V. Single Market Omnibus – setting immediate action to reduce red tape and make things simple. The Omnibus proposal accompanying this Strategy responds to businesses’ expectations: introducing small midcaps to tailor make regulation to their needs, moving from a document-based to a data-based Single Market and providing an emergency solution for products that need to access the market.

VI. More prevention in addition to more cure: Increase political and national ownership. We need more national ownership and a serious commitment from all actors. Member States are encouraged to directly address regulatory and administrative barriers at regional and

¹⁰ European Commission: Annual Single Market and Competitiveness Report; COM(2025) 26

national level. Assessing the compliance of draft national measures with EU law and ensuring the transparency of these measures towards other Member States and stakeholders is key.

Chapter 1. Removing barriers: Doubling down on the ‘Terrible Ten’

1. Fragmented rules on packaging, labelling and waste

Product labels provide important information for consumers on safety, sustainability and nutrition. Yet, divergent requirements linked to labelling make it difficult to trade across the Single Market. The different requirements are forcing producers to develop different versions of the product for different markets or to relabel or even repackage products when moving them across borders. The proliferation of labelling requirements also increases the complexity of information provided to consumers.

Rules on labelling must balance the need to be clearly understood by consumers with the need to reduce market barriers and burden for industry. Several initiatives will tackle this issue. The new Packaging and Packaging Waste Regulation provides for the creation of harmonised packaging labelling for consumer sorting which will be specified through Implementing Acts. The Commission will adopt a revision of the Textile Labelling Regulation. It will clarify applicable rules, remove fragmentation and enable a green premium through fully harmonised and comprehensive labelling content in a physical and digital label. In the longer term, digital labelling relying on a data carrier such as a QR code is the solution for simplifying access to labels for consumers and for easing compliance for economic operators, although some information such as safety information should of course still be printed on the product. Digital labels will form part of the Digital Product Passport as the digital container for all product-related information, as already foreseen for example under the new Construction Products Regulation.

The Single Market for waste is fragmented. Extended Producer Responsibility (EPR) schemes, whose first purpose is to require producers to take responsibility for the entire lifecycle of their products, have become one of the barriers most frequently reported by companies operating cross-border in the EU. While EPR schemes are often derived from EU legislation, lack of uniformity of principles and requirements has led to a large diversity of EPR schemes, regulatory complexity and high administrative burden for companies, particularly for SMEs, related to registration and reporting requirements, including the obligation to appoint authorised representatives separately for every Member State¹¹. The cross-border shipment of waste feedstocks to recycling facilities within the EU needs to be dramatically eased and accelerated.

Actions:

- Remove the authorised representative requirement from EPR schemes and reduce reporting obligations and frequency (Omnibus proposal Q4 2025)

¹¹ The CJEU has consistently ruled that requiring an importer to appoint a local representative restricts imports, violating Article 34 TFEU's free movement of goods principle.

- Harmonise labelling rules via sectoral legislation and facilitate rollout of digital labelling solutions via the DPP (progressive introduction of DPP, including via NLF revision in Q2 2026)
- Address the fragmentation of EPR schemes through further EU harmonisation, simplification and market integration, including a one-stop-shop for information, registration and reporting, set out the end of waste status for waste feedstocks for recycling, and remove barriers from requirements on labelling and reuse quotas (Legislative proposal for a Circular Economy Act¹² - Q4 2026)

2. Limited recognition of professional qualifications

The faster professional qualifications are recognised, the easier it is for citizens and services providers to work in other Member States. EU law provides for the mutual recognition by Member States of professional qualifications obtained in another EU country that are required to (permanently) exercise regulated services. Citizens complain that lengthy and complex recognition procedures prevent them from exercising their profession in other Member States, often pushing them into less value-added economic activities. This also concerns third country nationals for whom no harmonised recognition procedures exist at present, while we need to attract more qualified workers to Europe and address skills shortages in the EU.

Actions:

- Make greater use of digital tools and extend automatic professional qualification recognition schemes, for instance via Common Training Frameworks, to make recognition procedures faster and more efficient (legislative proposal under the upcoming Skills Portability Initiative and in line with the recently adopted Union of Skills¹³ - Q4 2026)
- Propose EU legislation to establish common rules for the recognition and validation of qualifications and skills of third country nationals (Q4 2026)

3. Long delays in standard-setting weigh on innovation and competitiveness

Harmonised standards are a cornerstone of the Single Market, as they provide legal certainty to businesses, facilitate access to new technologies and boost competitiveness. However, our standardisation system faces several challenges¹⁴ that have a bearing on our competitiveness and sovereignty. First, the current speed of standardisation processes is too slow to meet the market reality and policy needs, especially in the strategic and priority areas, creating legal uncertainty for businesses and slowing down the uptake of new technologies in the Single Market. Second, standardisation processes today rely to a significant extent on incumbents and big players, with SMEs, startups, civil society and academia facing financial and capacity constraints to participate. Third, the need to improve access to the legally relevant content of harmonised standards, as required by recent jurisprudence. Finally, the need to strengthen the EU's role as global standard-setter to ensure competitiveness and resilience of

¹² Based on the discussions in the Clean Industrial Dialogue on Circularity with a dedicated focus on the Single Market.

¹⁴ Evaluation of the Regulation 1025/2012 on European standardisation (ref to be updated)

EU industry. In cases where harmonised standards are not available or late, the Omnibus package adopted today will allow the Commission to establish common specifications which businesses can use to prove compliance with legal requirements.

Actions:

- Allow the Commission to establish common specifications where needed (Omnibus proposal adopted together with the Strategy)
- Review the Standardisation Regulation (Legislative proposal - Q2 2026)

4. Complicated business establishment and operations

Establishing a business often remains a complicated and burdensome endeavour. The European-level 28th regime will provide a single set of rules based on digital by default solutions and will help overcome barriers in setting up a company and operating across the Single Market. It will launch a pilot to allow companies to establish in Europe in less than 48 hours and will constitute a first step towards Enrico Letta’s long-term vision for a “European Code of Business Law”.

The transfer of business to a new generation of entrepreneurs creates opportunities and preserves jobs. The volume of business transfers in Europe is increasing, but the framework for business transfers does not sufficiently address existing challenges¹⁵.

Actions:

- Establish a European company law for an easy digital setting up of businesses across the Single Market (Legislative proposal on ‘28th regime’ - Q1 2026)
- Revise the Commission Recommendation on business transfers¹⁶ (Q4 2025)

5. Outdated product rules and lack of product compliance

The EU product legislation framework is a major asset of the Single Market where harmonised rules allow placing a wide range of products on the market while protecting the consumer. It is based on (i) light-touch product legislation, aligned to a uniform model of the so-called New Legislative Framework (NLF)¹⁷, combined with (ii) a system of standards which facilitates conformity and innovation, and (iii) a market surveillance system ensuring compliance and consumer protection. While this framework is valuable, it needs improvement¹⁸. First, to ensure a coordinated and effective EU-wide response to products bearing a risk, the existing safeguard procedures should be streamlined, with a rapid EU-wide enforcement action following identification of products presenting risks in a Member State. In view of inadequate practices by notified conformity assessment bodies, there is a need to

¹⁵ Add link

¹⁶ 94/1069/EC: Commission Recommendation of 7 December 1994 on the transfer of small and medium-sized enterprises

¹⁷ The NLF is based on two key legal acts from 2008: Decision No 768/2008/EC, which outlines a model for EU product legislation, and Regulation (EC) No 765/2008, complemented and partially replaced by the Market Surveillance Regulation in 2019, which establish a rulebook for market surveillance and conformity assessment of products. The 29 pieces of legislation that are aligned with this model regulate diverse product categories, such as toys, explosives, medical devices, measuring instruments, fertilisers, marine equipment, drones, and batteries. The NLF underpins approximately 80% of industrial production and 74% of intra-EU manufacturing.

¹⁸ Evaluation of NLF, SWD(2022) 364

introduce clear and precise requirements and timely procedures applicable to these bodies. Further, there is currently no clear framework for placing refurbished or repaired products on the market. Such a framework would facilitate compliance and allow extended product lifecycle. Finally, the EU product legislation needs to fully embrace digital solutions. The current EU product framework is mainly implemented by relying on documents, often still in paper form. The Digital Product Passport (DPP)¹⁹ will allow access to all documents required under the EU product legislation.

While the product framework facilitates seamless circulation of products on the Single Market, it needs to be protected from abuse. The market surveillance system, which falls under the competence of the Member States²⁰, is under immense pressure²¹. The sheer volume of products entering the European Market from the outside world makes it impossible to guarantee their compliance via customs and market surveillance checks. The exploding volume of products entering from third countries that are unsafe, counterfeit or non-compliant can lead to serious safety and health risks for consumers, has a negative impact on the environment and puts the legitimate businesses at a disadvantage. Studies suggest that on certain e-commerce platforms, in specific sectors, from over 50% to up to 100%²² of the products are non-compliant. The market surveillance system as currently set up faces significant problems, including limited resources and skills, as well as structural fragmentation.

The ability to pull resources, exchange intelligence, and prioritise is key to correctly target the most harmful products. There is a need for EU-level governance and coordination for market surveillance, to provide systematic co-ordination and guidance, scale up and pool capacity and expertise of all the market surveillance authorities across the EU. There is also a need for EU-level market surveillance activity in strategic priority areas, notably concerning e-commerce imports from third countries, where measures taken by individual Member States may not be sufficient or where an EU-level action would remove the need to undertake action on national level in several Member States in parallel.

Action:

- Placeholder for action on how to better coordinate national Market Surveillance Authorities' actions – potentially combine EU level market surveillance powers with the powers foreseen for the EU Customs Authority
- Modernise product legislation framework to harness digitalisation, promote circularity and strengthen safeguards (Legislative proposal to reform the New Legislative Framework – Q2 2026)

¹⁹ The DPP was first introduced by the Ecodesign for Sustainable Products Regulation (ESPR). It will serve as a digital information carrier and will be accessed using a QR code placed on a product, eliminating the need for voluminous paper documentation. Its technical implementation is ongoing and it is expected to become operational for first product categories in 2026. See more information in the chapter on digitalisation.

²⁰ The system is governed by the Market Surveillance Regulation (EU) 2019/1020. Market surveillance authorities, in cooperation with customs authorities, are responsible for checking products and enforcing compliance in every EU Member State. Authorities collaborate through SafetyGate (for dangerous non-food products) and ICSMS (for market surveillance of non-food products) to detect and remove unsafe products.

²¹ According to EU market surveillance data, 4.6 billion of low value consignments (up to EUR 150) were imported into the EU in 2024. This is almost twice the number recorded in 2023 (2.4 billion), and more than triple compared to 2022 (1.4 billion).

²² <https://www.beuc.eu/reports/tests-temu-products-by-consumer-groups>

6. Restrictive and diverging national services regulation

High regulatory restrictions cement long-standing market structures and stifle innovation, scale-up and business opportunities. Member States' regulations restrict access to around 5700 services activities covering approximately 22% of the EU workforce. Regulating access to a service activity can be justified to meet legitimate general interest objectives such as public health and safety. However, the high number and the type of services regulated, as well as the fact that some services are regulated only in one or a few Member States, confirms a clear potential for Member States to reduce regulatory burden to facilitate cross-border trade and investment.

Differences in national authorisation and certification requirements make it difficult to provide services in other Member States. National conditions for authorisations and certification requirements, even when they are based on Union law, vary widely, making the mutual recognition of authorisations or certifications difficult in practice. Aligning the underlying conditions for those requirements that are based on Union law would reduce regulatory fragmentation and make it easier for a service provider authorised in one Member State to offer their services in other Member States without the need to obtain again an authorisation or certification in those Member States.

Obligations for companies and entrepreneurs to establish in a Member State other than their own are bureaucratic and costly. Member States shall not oblige EU service providers to establish on their territory as they may provide services cross-border on a temporary basis. Yet Member States restrict this possibility at times, in practice treating companies as if they were established on their territory. Businesses need legal certainty on their right to provide temporary cross-border services.

Actions:

- Facilitate provision of pan-EU services by providers authorised or certified in one Member State on the basis of EU law, potentially including the harmonisation of such authorisation and certification schemes (Q2 2026)
- Develop legal guidance and recommendations to Member States to provide clarity on the right to provide services cross-border on a temporary basis (Q2 2026)

7. Burdensome procedures for temporary posting of workers

Providing services cross-border often entails the mobility of entrepreneurs and their staff. The temporary posting of workers represents an important share of the freedom to provide services in the Single Market: even excluding the services sector with the highest number of postings (road transport sector)²³, almost 5 million postings were declared in 2022²⁴. The administrative cost incurred by the complexity of posting provisions for these 5 million postings is estimated at EUR 477-635 million per year.

There is a clear need to protect posted workers in risk sectors, such as construction services or the agriculture sector. However, not all posted workers face the same risks. In areas with low risks of social abuse and dumping, such as the posting of skilled specialists (e.g.

²³ SWD(2024) 258

²⁴ SWD(2024) 258

engineers and technicians installing and maintaining machines) or management staff, administrative barriers to posting can and should be reduced. To support the protection of posted workers, EU law allows Member States to impose justified and proportionate administrative obligations such as obligations to declare posted workers. Moreover, the European Labour Authority supports Member States in applying posting rules and is working with Member States to ensure that information on minimum pay in every Member States is available. In addition, the Single Market Enforcement Taskforce (SMET) identified smart posting policies through which some Member States focus declarations and other administrative requirements on risk sectors and exempt very short-duration postings from these requirements²⁵. Further adoption of such policies by Member States is strongly encouraged as it allows reducing administrative barriers for the cross-border provision of services by posted workers.

Workers temporarily posted to another Member State are subject to social security coverage in their country of employment. Posted workers need to show proof of contribution to the social security system of their home country (portable document A1). The procedures to prove and verify social security entitlements can be time consuming and administratively burdensome, due to their reliance on physical presence and physical documents. This has a deterring effect on citizens willing to exercise their right to free movement and on companies prepared to do business abroad and reap the benefits of the Single Market. The European Social Security Pass (ESSPASS) will offer the digital verification of social security entitlements.

Actions:

- Continue supporting the co-legislators to conclude negotiations on the Commission proposal for a public interface for the declaration of posting of workers (COM(2024) 531) as well as the revision of the Regulation on social security coordination (Q2 2025)
- Consider measures, including a potential legislative initiative, to make it easier for highly skilled workers to temporarily provide services cross-border
- Deploy the European Social Security Pass (ESSPASS) across the Single Market, following its ongoing piloting (Q4 2025)

8. Territorial supply constraints (TSCs)

Territorial Supply Constraints (TSCs) in retail and wholesale fragment the Single Market, limit consumer choice and contribute to significant price differences across the EU, notably for daily consumer goods²⁶. Territorial supply constraints are limitations imposed by certain large manufacturers which make it very difficult or impossible for retailers to buy products in one Member State and resell them in another. This harms cross-border business and breaks the promise of the Single Market to bring choice and price competition to

²⁵ SMET report 2023-2024 [smet-report-2024_en.pdf](#)

²⁶ An independent study carried out for the European Commission in 2020 estimated that if TSCs were removed, consumers could save up to EUR 14.1 billion per year on their purchases of certain products.

the consumer. While competition law is an effective tool to penalise such practices²⁷, many fall outside its scope²⁸, in particular economic operators which are not in a dominant position.

Action:

- Remove Territorial Supply Constraints to cover situations beyond those captured by competition law as well as practices leading to market fragmentation such as labelling (Legislative proposal - Q4 2026)

9. Lack of Single Market ownership by Member States

EU businesses and citizens constantly report national rules that disproportionately restrict fundamental freedoms guaranteed by the Treaties or create economically harmful barriers in the Single Market. National rules often do not take enough account of EU principles and frameworks. Member States also create barriers and fragment the Single Market by lack of transposition as well as unnecessarily divergent or burdensome implementation of EU law (gold-plating).

More than ever, joint ownership and giving political priority to Single Market and enforcement of its rules is key. The Commission calls on Member States to appoint a high-level Sherpa for the Single Market in their prime minister's or president's office with authority towards all parts of the government. The Sherpa should promote application of Single Market rules and have an active role in preventing and addressing national regulatory and administrative Single Market barriers. The Sherpas should also cooperate with each other on accelerating the removal of barriers across the Single Market. To facilitate the cooperation, the member of the Commission in charge of the Single Market or their representative will call on the Sherpas for Single Market to meet on a regular basis.

Political reinforcement is also needed to further empower the Single Market Enforcement Taskforce (SMET)²⁹. An annual high-level political meeting bringing together Member States' ministers responsible for the Single Market, high level Sherpas for the Single Market and the Commission's Executive Vice-President in charge of the Single Market will provide strategic steer for SMET's work and political support for implementation of agreed results/conclusions, also to find alternative solutions where SMET's outcomes have fallen short of expectations.

Nobody can prevent the creation of new barriers in the Single Market more effectively than Member States. Ensuring compliance of national regulation with the Single Market rules already at inception stage is the privilege and the responsibility of the Member States. The Single Market is more important than ever, and so are the thorough assessments of proportionality of all national draft rules and better use of notification mechanisms at EU level. Member States are invited to work with the Commission to ensure that the existing mechanisms

²⁷ On 23 May 2024 the Commission fined Mondelez EUR 337.5 million for hindering the cross-border trade of chocolate, biscuits and coffee products. Previously, in 2019, the Commission had fined AB InBev EUR 200 million for restricting cross-border sales of beer.

²⁸ EU competition law applies only when the Territorial Supply Constraints are included in anti-competitive agreements or carried out unilaterally by a dominant operator.

²⁹ SMET brings together the Member States' authorities and the Commission and focuses on elimination of concrete barriers hampering Single Market freedoms of citizens, EU businesses and self-employed, who aim to benefit from the Single Market. See more on SMET in Chapter 5 (Enforcing respect of Single Market rules) and SMET dedicated website; [Single Market Enforcement Taskforce \(SMET\) - The EU Single Market - European Commission](#)

are used to their full potential and that robust proportionality assessment of draft national measures is performed to allow the Commission, other Member States, as well as stakeholders, to engage in an effective exchange before a new barrier materialises. In addition, the Commission will assess whether the areas so far not covered by the notification obligation have been subject to more to fragmentation of the Single Market and whether the absence of notification obligation significantly impedes smooth functioning of the Single Market. At the end of 2026, the Commission will take stock of the situation and on that basis decide whether to propose legislative measures to close gaps and reinforce prevention governance.

Actions:

- Call a first meeting of the Single Market Sherpas (Q4 2025)
- Organise a first SMET annual high-level political meeting (Q4 2025)
- Propose Single Market Barriers Prevention Act (Q3 2027, if necessary, based on the assessment of existing preventive tools' functioning)

10. Overly complex EU rules

EU policies and legislation also contribute to regulatory and administrative barriers. Striving to achieve important policy objectives, the EU acquis is at times unnecessarily complex, resulting in high compliance costs or other administrative burden. The Commission is taking actions to address this, starting with a series of simplification Omnibus packages, one of which is being adopted in parallel to this Strategy. This fourth omnibus will address rules that are creating unnecessary burden for EU businesses by extending exceptions applicable to SMEs to small midcaps to facilitate scale-up, by removing obligation to provide product compliance documentation in paper format, and by providing a solution for products that cannot get to the market because of lack of standards.

Future legislative initiatives, both new and revisions of existing EU legislation, will strive to provide simpler rules. One example is EU public procurement rules that are designed to promote cross-border sourcing of works, products and services but the complexity and fragmentation of these rules discourage public buyers from using the full toolbox and businesses from participating in tenders cross-border, and do not allow to capitalize on the strategic investment opportunity of public contracts.

Providing straightforward, harmonised rules is particularly important in key strategic sectors, such as defence. Given the geopolitical circumstances, there is an urgent need to simplify and harmonise existing rules and procedures to address the fragmentation of the European defence market characterized by a lack of scale and national players often catering primarily to their domestic markets, long-term underinvestment, inefficiencies and reliance on non-EU suppliers.³⁰ Achieving a fully functioning EU-wide defence equipment market— where Member States trust procurements, sub-contracts, and purchases from other Member States as they do their own —would guarantee access to defence products, components, and spare parts, ensuring the security of supply in times of crisis. This will contribute to enhanced European security, defence capabilities and autonomy. In addition, joint and cross-border procurement is required to create lead markets. European preference in defence procurement can only be

³⁰ As outlined in the White Paper on Defence (Joint White Paper for European Defence Readiness 2030, JOIN(2025)120), the first step will be an Omnibus proposal by June 2025.

established in a functioning EU-wide market for defence equipment allowing a level playing field and fair competition among EU companies.

Actions:

- Adopt simplification omnibus packages to reduce unnecessary burden to safeguard effective implementation of policy objectives (ongoing).
- Make the Single Market test³¹ mandatory, whereby the Commission assesses possible impacts of draft legislative measures on the Single Market before proposing them (Q2 2025).
- Revise the Public Procurement framework to centralise and streamline its fragmented and complex provisions, and to mainstream the use of sustainability, resilience and European preference criteria in EU public procurement (Q4 2026)
- Revise the Directive on defence and sensitive security procurements³² to simplify and harmonise rules and procedures for defence procurements and to support a European preference (Q 2026)

Chapter 2. Boosting European Services Markets

The EU economy is a services economy, but the Single Market for services remains profoundly underdeveloped. Services account for around 75% of EU GDP and most EU jobs are created in services³³. 40% of the value added of EU products is made up of services content. However, at 7.6% of EU GDP, intra-EU services trade is no higher than services trade with third countries, confirming that the Single Market for services operates far below potential³⁴. Despite progress, around 60% of services barriers are of the same type as 20 years ago³⁵. A new approach is therefore needed.

The broad diversity of services across the economy implies limits to the effectiveness of a one size fits all horizontal policy approach, while the business case for integrated services markets is particularly strong in some services sectors. Business services account for 7% of EU GDP and bear clear similarities across Member States but remain regulated very differently between them. Retail services account for 12% of EU GDP while markets remain national and characterised by low productivity. Construction makes up for 11% of EU GDP, but only 1% of construction services are traded cross-border. Efficient postal services are at the heart of the Single Market, enabling cross-border economic activity. Other services are however often local in nature and less likely to trade cross-border.

A new sectorial policy approach can give a new dynamic to the Single Market for services. Complementing the existing horizontal policy approach, with sector-specific services' initiatives will focus on services sectors which are the most relevant for the twin transitions and could bring the highest economic added value, including the following.

³¹ Tool #25. Internal market, 'Better regulation' Toolbox 2023, https://commission.europa.eu/law/law-making-process/better-regulation/better-regulation-guidelines-and-toolbox_en.

³² Directive 2009/81/EC

³³ [Confirm reference] Eurofound: [Living and working in Europe 2019](#)

³⁴ [Add reference]

³⁵ [Add reference]

Ensuring seamless and efficient cross-border provision of industry-related services such as installation, maintenance and repair services is crucial for Europe's manufacturing sector. As manufacturing industries increasingly shift toward servitisation – integrating product and service solutions – stakeholders have raised concerns that regulatory barriers, such as burdensome posting of workers requirements, prior qualification checks, ex ante services declarations and varying work safety standards hinder the smooth cross-border delivery of services like installation, maintenance, and repair with negative impacts on industrial competitiveness.

Business services are among the highest regulated services in some but not all Member States. Among the 5700 regulated professions feature many business services, such as legal, accounting and tax advisory services that have economy-wide impacts. A 10% reduction of services barriers would increase EU gross value added in business services by 0.8%.³⁶

Restrictive and diverse regulation of construction services holds back the supply of affordable and energy-efficient housing and infrastructure development³⁷. Construction services account for 11% of EU GDP, but only 1% of intra-EU services trade as construction markets continue to operate along national lines, in part due to limitations to professional mobility and weak mutual recognition of national certificates and proof of competence in areas such as health and safety, energy efficiency and environment. Limited availabilities of liability insurance in cross-border situations further complicate cross-border services provision and is an issue that requires market-based solutions. A 10% reduction of barriers in construction services would increase EU gross value added by 0.5%.³⁸

Retail competitiveness is held back by numerous restrictions of the establishment of shops and their operations. Many of these restrictions may be justified by legitimate public policy objectives such as town and country planning and maintaining the vitality of city-centres. However, they need to be proportionate as some may create market entry barriers and negatively affect competition, productivity and innovation. A 10% reduction of barriers in retail services would increase EU gross value added by 0.6%.³⁹

Demand for postal services in the EU has been declining for years, while the market for parcel deliveries continues to grow on the back of strong e-commerce. The decline in postal volumes has led to a strong increase in letter delivery costs and to questions over the applicable universal service obligations, notably regarding delivery frequencies. As the digitalisation of society and growth of e-commerce are projected to continue, mail and parcel delivery services require attention to ensure a level playing field between market participants, increase price transparency and support consumer rights. A reform of the EU postal regulatory framework will focus on delivery as a service and will ensure citizens and businesses can receive deliveries throughout the EU at affordable prices, while promoting fair competition on delivery markets and increasing consumer protection.

Sector-specific services policies have already been developed with respect to telecommunication, energy-related, transport and financial services, a process that is continuing. The recent Commission proposal for a Savings and Investments Union aims at

³⁶ Ref to IFO study

³⁷ Add reference

³⁸ Ref to IFO study

³⁹ Add reference

improving the way the EU financial system channels savings to productive investments, offering better financial opportunities for EU savers and better access to capital for EU businesses⁴⁰. It provides incentives to develop truly cross-border venture capital funds and boost securitisation to make European stock exchanges more attractive.

The ‘Action Plan for Affordable Energy’ aims to progress towards a fully integrated energy market with a cohesive governance framework for electricity and gas, as well as enabling major energy savings⁴¹. Without a corresponding infrastructure we will not be able to make the EU energy market / Energy Union a reality.

The EU telecommunications sector is still fragmented alongside national borders and EU operators cannot reap the full potential of the Single Market. Moreover, a joint path to 6G needs additional spectrum, more harmonised planning and frameworks. Fast technological and market developments may require a more harmonised framework, for example as regards satellite services. To address those challenges and ensure that Europe has future proof digital networks and secure and resilient infrastructures, the applicable regulatory framework needs to be updated. The transition towards cloud-based infrastructure and Artificial Intelligence requires improved access to secure, fast, and reliable connectivity.

Actions:

- Propose a Construction Services Act to improve cross-border market access for construction and installation services (Q4 2026)
- Launch initiative to facilitate the cross-border provision of industry-related services such as installation, maintenance and repair services (Q4 2025)
- Issue guidance and recommendations to Member States to free regulated business services from unnecessary regulation hindering investment and trade (Q1 2026)
- Develop guidance to Member States on the proportionality of their retail regulation (Q4 2026)
- Propose a new EU Delivery Act, to replace the Postal Services Directive and Cross-border Parcels Regulation (legislative proposal Q4 2026)
- Propose a Digital Networks Act to simplify the legal framework and foster the completion of a Single Market for electronic communications (Q4 2025)

Chapter 3. SMEs in the Single Market

Just like EU citizens, European SMEs should only in very exceptional situations have to go through “passport checks” in the Single Market. Therefore, to benefit from specific measures for SMEs across Member States, SMEs should *not* normally be asked to “qualify” or to prove their status. The Commission is publishing today a simple and unbureaucratic online tool, available in all EU languages, that generates an SME ID, based on a self-assessment⁴². In the spirit of administrative simplification, where SME identification is considered necessary, rules should refer to this tool, and beyond this, it should be considered carefully whether

⁴⁰ COM(2025) 124.

⁴¹ COM/2025/79.

⁴² [SME Self-assessment tool](#)

additional proof of status should be requested from SMEs in justified circumstances (for example, when applying for SME-specific funding).

It must become easier for SMEs to “travel” the Single Market, especially in border regions. The Commission will create a forum to work with Member States to further promote measures supporting and facilitating SME activity in cross-border trade. Because SMEs are particularly impacted by Single Market barriers and obstacles, having less financial and human resources to tackle them. 13% of SMEs export goods to other EU countries⁴³, while many more might want to. While 73% of the high growth SMEs intend to scale up in their domestic market, only 24% plan to do so within the Single Market⁴⁴. Ongoing dialogue with Member States and small businesses is essential for developing policies that support SMEs and contribute to the objective of reducing administrative burden by 35% for SMEs, the Commission will therefore also reinforce the Network of SME envoys with these objectives in mind.

Simplifying SMEs’ lives and economic activities necessitates a true commitment to the “think small first” principle. Regulatory obstacles too often turn into administrative burden and higher costs for SMEs. To better consider SME interests and mitigation measures, as of May 2025, a new mandatory SME check will be included in Commission impact assessments for all initiatives which were flagged as relevant for SMEs⁴⁵. Furthermore, SME-friendly provisions should be systematically considered and included by all rule makers when drafting and negotiating legislation.

The European market must be a market where scaling up is encouraged instead of being punished. SMEs that outgrow their status and scale into so-called small mid-caps (SMCs, companies with 250-499 employees) typically demonstrate a rapid expansion, increased innovative capacity, and a high ability to adapt to digital transformation. Nevertheless, these mid-sized companies continue to face specific obstacles, in particular related to administrative burden⁴⁶. Therefore, the Commission, together with this Strategy, is presenting a formal definition for small mid-caps⁴⁷ and a targeted Omnibus proposal to extend preferential treatment currently reserved to SMEs also to SMCs. Furthermore, the Commission will consider needs of SMCs in relevant upcoming legislation as well as pending legislation. The aim is to help companies outgrowing the thresholds of the SME definition to remove the obstacles they encounter in their transition.

Limited access to and use of the Single Market’s intellectual property (IP) system reduce the ability of start-ups and other SMEs to access finance and investment, and to scale up. IP protection is crucial to enhance the value of intangible assets. Therefore, the Commission, jointly with the EUIPO, will extend the “SME Fund” for 2026-2027 covering also upcoming registrations of geographical indications for crafts and industrial products (CIGIs).

Sustainability reporting requests often trickle down to SMEs. Although not being subject to the sustainability finance legislation (like CSRD, CS3D), SMEs receive different reporting requests from their partners for the same piece of sustainability information. Limiting the

⁴⁵ To ensure SME-friendly legislation, the Commission created the [SME filter](#) – introduced in its [2020 SME Strategy](#). As part of the process, the [SME Envoys network](#) screens EU initiatives published on the [Have Your Say](#) portal and identifies those likely to impact SMEs.

⁴⁶ SME relief package COM(2023) 535

⁴⁷ xxx

information that larger companies can request from SMEs in their value chain for their sustainability reporting will reduce the burden to SMEs. This will be achieved once the proposed Corporate Sustainability Reporting Directive (CSRD) amendments under the first Omnibus package will enter into force. But to bridge the time and to provide immediate relief, a Commission Recommendation on the Voluntary SME (VSME) standard will be published by summer 2025, based on the advice by the European Financial Reporting Advisory Group (EFRAG).

SMEs encounter difficulties in accessing sustainable finance opportunities. The Commission will aim to support SMEs in two ways. Firstly, based on the advice of the Platform of Sustainable Finance⁴⁸ and building upon the InvestEU sustainability guarantee targeting SMEs, the Commission will develop a voluntary streamlined approach to help SMEs to voluntarily disclose to banks their environmental sustainability performance when seeking sustainable financing. Secondly, the Commission will revise the Taxonomy Disclosures Delegated Act in a way that does not limit SMEs access to sustainable finance and avoids imposing indirectly disproportionate reporting requirements to SMEs. By summer 2025, the Commission will address the difference in scope of the numerator and denominator of the Green Asset Ratio (GAR). Following Commission Recommendations for SME voluntary approaches, the Commission will assess, if any subsequent revisions of the delegated act would be required to further facilitate reporting by financial actors, and banks in particular, on how they finance SMEs engaged in sustainable activities.

Actions:

- Provide an SME ID tool based on self-declaration available in all EU languages to facilitate proof of SME status, where appropriate (together with the Single Market Strategy)
- Launch a forum of Member States to encourage the voluntary adoption of measures encouraging SME cross-border trade under the SME Envoy network (Q3 2025)
- Reinforce the Network of SME envoys (Q3 2025)
- Publish best practice examples of SME-friendly provisions that can be systematically considered for inclusion in draft legislative acts and negotiations (Q3 2025)
- Adopt a definition of small mid-caps and an SMC omnibus (together with the Single Market Strategy)
- Extend the existing SME fund for 2026-7 (Q4 2025)
- Adopt a Commission Recommendation for a ‘Voluntary SME’ standard (VSME) to manage sustainability requests to SMEs stemming from their value chain and financial partners (Q2 2025)
- Develop a voluntary streamlined approach to help SMEs demonstrate their sustainability efforts and improve their access to sustainable finance, including by amending the Taxonomy Disclosures Delegated Act to allow financial institutions to better reflect their financing activities of those SMEs (Q4 2025 / Q1 2026)

⁴⁸ SME advice/report of the Platform of Sustainable Finance – “Streamlining sustainable finance for SMEs”, use this direct (EC) link to the report (published on 21 March 2025)

https://finance.ec.europa.eu/publications/platform-sustainable-finance-report-streamlining-sustainable-finance-smes_en

Chapter 4. Digitalising the Single Market

The successful operation of the Single Market requires Member States and the EU to work in sync: digital tools make this possible and are fundamental for smart policy implementation. A lack of administrations at national and EU level working together and assuming joint ownership for the day-to-day operation of the Single Market is leading to divergent approaches and application of common rules that limits the effectiveness of the Single Market.

The main elements of an effective and modern regulatory framework include clear and easy to find online information about requirements, digitally accessible procedures, and automated reporting. However, economic operators find it hard or impossible to access information and accomplish administrative formalities online. Where digital procedures exist, difficult-to-interpret legislation, non-machine-readable data formats, fragmented IT ecosystems, and inefficient data exchanges all make it difficult for citizen and businesses to comply with regulatory requirements digitally.

The EU needs a paradigm shift from a document-based to a data-based Single Market. We need to move from exchanging paper documents towards exchanging digital data. This implies automated sharing and reporting of structured data allowing businesses and public authorities to exchange data in real-time, replacing cumbersome paperwork and document-based compliance systems with interoperable data-based solutions. Embedding the digital-ready principle into policy design and implementation is key, ensuring that regulatory requirements are designed from the outset to be digital, interoperable, and streamlined⁴⁹.

The Single Digital Gateway (SDG) provides one-stop shop access to information, assistance services, and ‘once only’ administrative procedures. Yet the availability of digital public services for cross-border users strongly lags behind that for national users⁵⁰ as a result of which citizens and businesses still face serious challenges in discovering, retrieving and submitting documents required by authorities in other Member States. The Once-Only Technical System (OOTS) will allow for an automated exchange between authorities of documents and data once implemented in practice, requiring the connection of over 80 000 national competent authorities. Digitalising permitting procedures in the scope of Net-Zero Industry Act and Critical Raw Materials Act and authorisation procedures for certain services providers are first priorities.

While SDG and OOTS facilitate seamless cross-border access to information and procedures, the Internal Market Information (IMI) system enhances coordination and cooperation between Member State authorities. Exploiting the full potential of IMI to facilitate policy implementation involves broadening access to IMI and improving interoperability. This will include building a generic, reusable IMI portal to connect citizens and businesses to IMI, piloting an IMI notification hub and inter-connecting IMI with other systems.

The Digital Product Passport (DPP) will become the main tool for disclosing and sharing product information across all new and revised product legislation. Introduced by the

⁴⁹ The Interoperable Europe Act entered into force in April 2024 and will allow for early detection of digitally relevant requirements, as well as making interoperability assessments an obligation.

⁵⁰ eGovernment benchmark 2024.

Ecodesign for Sustainable Products Regulation (ESPR), the DPP will serve as a digital container for digital label, conformity documentation, instructions and manuals, safety information, technical documentation, and other information required under EU law and has already been included in several new EU legal acts. The first DPP, for batteries, is expected to become operational in 2027 and the tool will be progressively rolled out to other product categories. The paperless simplification Omnibus proposals adopted by the Commission today introduce the first steps to prepare the future use of the DPP for most NLF-aligned pieces of horizontal product legislation. The full digitalisation of declarations of conformity and the consumer-friendly digitalisation of instructions of use by the Omnibus will result in swift cost reduction for both economic operators and authorities. A data carrier affixed on the product, in most cases a QR code, will provide access to this information, which will be incorporated into the DPP once available.

The upcoming NLF reform will fully introduce the DPP to demonstrate compliance with EU product legislation. The potential use of the DPP IT infrastructure to enable the automated re-use of data by companies will also be assessed, to streamline reporting and verification by authorities. It will also explore ways to digitalise processes for product certification, ensuring that conformity assessments are managed in a structured and transparent way, which will save companies and authorities time and money.

Non-machine-readable data formats lead to less efficient and more expensive standardisation processes. This makes it difficult for SMEs to contribute to developing standards and to identify and use relevant standards. Developing structured, machine-readable data formats for EU standards will bring more transparency and make it easier for companies to contribute to the standardisation process. In the context of the revision of the Standardisation Regulation, this structured-data format will become the rule, which will increase efficiency, make standards more usable and will reduce costs and administrative burden for companies, and also offer trainings to help companies transition to the new format.

Although the new public procurement data space is already bringing benefits, the Single Market's public procurement IT ecosystem remains fragmented and data exchanges are inefficient. This means that national databases are not sufficiently interoperable, resulting in less competition and meaning suppliers have to submit the same information and evidence again and again. In the short term, public procurement procedures will be made more standardised through an ongoing CEN standardisation request. In the context of the revision of the Public Procurement Directives, the once-only principle will be embedded in law, so it is possible for companies to participate in public procurement across Europe without having to repeatedly submit the same information and evidence. Digital authentication will also be introduced in public procurement processes to remove the need for burdensome digital signatures.

A key digital enabler of the Single Market, eInvoicing delivers immediate cost savings by automating invoice processing and exchange. eInvoices allow to automate VAT and other reporting obligations, such as for sustainability reporting or customs formalities. EU legislation on eInvoicing in public procurement promotes an EU eInvoicing standard, but there is limited adoption of eInvoicing among EU businesses, low uptake of the EU eInvoicing standard, a lack of interoperable solutions and low reuse of data. A set of measures is envisaged to ensure interoperability and the deployment of the European eInvoicing standard and eDelivery

technical specifications, including a Commission recommendation to integrate an eInvoicing module in all accounting software solutions and auditing national certifications schemes. In parallel, it is planned to pilot the reuse of eInvoicing data for sustainability reporting, and to increase customs transparency by linking eInvoicing with customs data, in alignment with the development of the EU Customs Data Hub.

Actions:

- Revise of the IMI Regulation to streamline the procedure for expanding IMI to cover new areas (legislative proposal Q4 2026)
- Digitalise declarations of conformity and certain other product documentation (Omnibus proposals together with the Strategy)
- Amend EU legislation to extend the use of the Digital Product Passport (DPP) as a digital container for all product-related information (part of the NLF revision, Q2 2026) and ensure its full technical roll-out
- Introduce digitalisation provisions in the revised legal framework for standardisation and public procurement (Q2 2026 and Q4 2026)
- Revise the acquis on e-Invoicing in public procurement turning the existing Directive into a Regulation and making the EU eInvoicing standard mandatory for public procurement (Q4 2026)

Chapter 5. Enforcing respect of Single Market rules

The European Market can provide leverage through scale only when it is a true Single Market. Even the best rules cannot accomplish their objectives, if they are not implemented or applied in a smart and uniform way. Effective, proactive and fast enforcement of those rules ensures that benefits of the Single Market become a tangible reality for businesses and citizens. Both the Letta report and the Draghi report call for better enforcement of the Single Market.

Correct application and enforcement of the Single Market rules is a shared responsibility of the Commission and the Member States, including authorities from national to regional and municipal level. In addition to appointing a Sherpa for Single Market, it is essential that Member States reinforce their national Single Market enforcement capacities, in particular to address individual issues raised against national measures or practices considered incompatible with the Single Market and support businesses and citizens with fast, easily accessible and effective means in making use of their Single Market freedoms. Member States shall complement the role of the Commission as the guardian of the Treaties and to ensure joint ownership of the Single Market as described in Chapter 1.

Preventing new Single Market barriers

Prevention is better than cure. The existing prevention tools⁵¹ create transparency about new national rules and allow for discussion with Member States to ensure in-depth assessment of their impact on the Single Market to prevent new barriers in the Single Market. It must be a priority in each Member State more than ever, to counter further fragmentation of the Single

⁵¹ The most important prevention tools are notifications under the Single Market Transparency Directive (Directive (EU) 2015/1535) and under the Services Directive (Directive 2006/123/EC). In addition, the Proportionality Test Directive (Directive (EU) 2018/958) provides for ex-ante proportionality assessments of new regulation of regulated professional services by Member States.

Market, foster a better compliance culture and reinforce the prevention of new regulatory barriers, and if necessary the existing preventive instruments will be enhanced, in particular via improved transparency and stakeholder consultation.

Thorough assessment of envisaged national rules that create barriers in the Single Market is essential to limit such barriers to what is necessary to protect legitimate public interests. Proportionality plays a decisive role in that regard. Member States shall conduct a thorough evaluation of proportionality before adoption of national rules. The Commission will ensure a regular and in-depth monitoring of such assessments, in particular where EU law sets out specific rules or procedures for such evaluations.⁵²

Collaborating to reduce Single Market barriers

Close collaboration between Member States and Commission is essential for the effective implementation of the Single Market rules and removal of existing barriers. The key platforms allowing structured collaboration are the SOLVIT network⁵³, helping with solving individual cases where citizens and businesses encounter obstacles when moving or doing business across borders, and the Single Market Enforcement Taskforce (SMET)⁵⁴.

While both SOLVIT and SMET proved successful, we need to further strengthen and expand their work, translating conclusions into concrete follow-up actions. Member States should reinforce their SOLVIT Centres, focusing on staffing, expertise, network of contacts and capacity to influence other national authorities. The Commission will address Single Market barriers detected by SOLVIT, including by launching infringement procedures if deemed necessary, and continue reporting on SOLVIT cases, including in the future Annual Progress Reports on Enforcement and Implementation to the EP and Council. SMET will be reinforced to tackle more effectively the most significant barriers for goods, services, people and capital within the Single Market that hinder EU competitiveness. This will be done via the annual high level political meeting⁵⁵. In addition, the Commission will carefully analyse the results of SMET work and if the barriers are not sufficiently removed, will take concrete follow-up actions, such as infringement procedures if the barrier is related to a breach of EU law or a revision of legislation or a new legislation if the barrier is due to the absence or unclarity of the EU rules.

Efficient legal action where required

Effective, proactive and fast infringements are important for strategic enforcement of Single Market rules. Infringement procedures are a forceful tool entrusted to the Commission to ensure the respect of the Single Market rules. The Commission will accelerate the infringement procedures for breaches of Single Market rules both internally and in its dialogue with the Member States. Fast infringement procedures will be accompanied by transparent

⁵² For instance, Proportionality Test Directive (Directive (EU) 2018/958)

⁵³ [SOLVIT – EU rights problem solving when working, living or doing business in another EU country - European Commission](#)

⁵⁴ See fn [number of fn where SMET is explained in Chapter 1. Removing barriers: Doubling down on the ‘Terrible Ten’ (barrier nine)]

⁵⁵ See more on SMET annual high-level political meeting in Chapter 1. Removing barriers: Doubling down on the ‘Terrible Ten’ (barrier nine)

communication and clear explanations regarding the objectives pursued, the expected benefits of infringement decisions as well as the results achieved in cases where proceedings are closed.

Driving strategic enforcement priorities will be key. In addition to ensuring demand driven enforcement to respond to significant breaches of EU law indicated by stakeholders, the focus will be on proactive and strategic enforcement of Single Market rules. The Commission will identify priority policy areas and present them in an annual Single Market enforcement strategy, conduct a systematic investigation into the implementation and application of Single Market rules in these areas, and where appropriate, launch infringement procedures in a coordinated manner.

Actions:

- Propose Single Market Barriers Prevention Act (Q3 2027, if necessary, based on the assessment of existing preventive tools' functioning)
- Call a first meeting of the Single Market Sherpas (Q4 2025)
- Organise a first SMET annual high-level political meeting (Q4 2025)
- Strengthen the national SOLVIT centres and the whole Network for more efficient problem solving and better support of business cases (Q4 2025)
- Systematic follow-up by the Commission and Member States on issues identified by SOLVIT and SMET (as of Q2 2025)
- Present the first Annual Single Market enforcement strategy (Q1 2026)

Conclusion

At a time of extraordinary global uncertainties, we must make our own European Market work to its full potential. The Single Market was set up over thirty years ago to develop a European social market economy that brings our people together in prosperity. We have come a long way. And yet we can and must do more to suppress barriers, simplify rules and enable businesses to grow. To protect EU citizens and businesses from unfair competition, risks and unpredictable global turbulence. It is the European Market that allows us to enhance our internal value chains.

A strong Single Market gives Europe a strong voice globally and the EU remains a strong and reliable partner for like-minded countries both globally⁵⁶ and within the region. Next to the participation in the Single Market of the EEA-EFTA countries, the Commission proposes a structured framework to boost the inclusion of the Western Balkans, Ukraine and Moldova. This "highway" to the Single Market would include closer regulatory alignment, and facilitating the integration of their industries into European value chains ahead of full EU accession. In addition, whilst the EU is and will remain one of the most open economies, global trade is drastically altered by unfair practises, unjustified tariffs and distortive subsidies of some third countries. To re-establish the level-playing field and because the Single Market cannot be the export destination of state-induced excess capacity and trade diversions, the EU will make full use, whenever necessary, of trade defence tools (including safeguards) and justified tariffs.

⁵⁶ The Commission will continue to engage with the UK, Canada, Japan, South Korea and other like-minded countries, notably through free trade agreements and more targeted and flexible partnerships.

Further developing our European market is a joint endeavour. The Commission will deliver its part with the actions set out in this Strategy. We call upon the European Parliament and Council to work together and make the adoption of Single Market proposals a priority. Together we should aim to have a modernised and digitalised European Market framework in place by 2030.

Member States have a main role to play as the daily application of EU rules is in their hands. It is therefore key that Member States bring their policy and legislation in line with our common objectives and rules, starting with a first set of country-by-country priorities to ease business and allowing companies to operate across the European Market with greater ease.

The European Council announced it will take stock of progress made with the further development of our European market and ensure political support. The Commission is ready to support this effort and will update on progress made with the implementation of this Strategy in its Annual Single Market and Competitiveness Report, including its key performance indicators that it will further develop in line with the priorities of this Strategy.
