



A services economy that works for Europeans

Brussels, 10 January 2017

Today the Commission is presenting an ambitious and balanced package of measures that will make it easier for companies and professionals to provide services to a potential customer base of 500 million people in the EU.

A fresh boost to the services sector will benefit consumers, jobseekers and businesses, and will generate economic growth across Europe.

As part of the roadmap laid out in the [Single Market Strategy](#), today's proposals deliver on President Juncker's [political commitment](#) to unleash the full potential of the Single Market and make it the launchpad for European companies to thrive in the global economy. This goal was confirmed by the European Council in its December 2015, June 2016 and December 2016 conclusions. The proposed measures aim to make it easier for services providers to navigate administrative formalities, and to help Member States identify overly burdensome or outdated requirements on professionals operating domestically or across borders. Rather than amending existing EU rules in the area of services, the Commission focuses on ensuring they are applied better, as evidence shows that implementing them to their full potential would provide a significant boost to the EU economy.

Vice-President Jyrki **Katainen**, responsible for Jobs, Growth Investment and Competitiveness, said: *"Barriers to trade in services are also barriers to competitiveness. Making better use of the Single Market for Services will help European businesses create jobs and grow across borders, offering a wider choice of services at better prices, while maintaining high standards for consumers and workers. Today we are proposing to simplify procedures for cross-border service providers as well as a new and more modern way for Member States to work together to regulate their services sectors."*

Commissioner Elżbieta **Bieńkowska**, responsible for Internal Market, Industry, Entrepreneurship and SMEs said: *"Services represent two thirds of the EU economy and generate 90% of new jobs. But the Single Market – this jewel that is all too often taken for granted – does not function properly for services. As a result, we miss out on important potential for jobs and growth. Today we are giving a fresh boost to the services sector to make Europe a global hub for providing, buying and developing new services."*

The four concrete initiatives adopted by the Commission today are:

- **A new European Services e-card:** A simplified electronic procedure will make it easier for providers of business services (e.g. engineering firms, IT consultants, organisers of trade shows) and construction services to complete the administrative formalities required to provide services abroad. Services providers will simply have to liaise with a single interlocutor in their home country and in their own language. The home country interlocutor would then verify the necessary data and transmit it to the host Member State. The host Member State retains the current power to apply domestic regulatory requirements and to decide whether the applicant can offer services on its territory. The e-card would not affect existing employer obligations or workers' rights.
- **A proportionality assessment of national rules on professional services:** Around 50 million people – 22% of the European labour force – work in professions to which access is conditional upon the possession of specific qualifications or for which the use of a specific title is protected, e.g. pharmacists or architects. Regulation is often warranted for a number of professions, for example those linked with health and safety. But there are many cases where unnecessarily burdensome and outdated rules can make it unreasonably difficult for qualified candidates to access these jobs. This is also to the detriment of consumers. The EU does not regulate or deregulate professions – this remains a national prerogative. But under EU law, a Member State needs to establish whether new national professional requirements are necessary and balanced. To ensure a coherent and consistent approach, the Commission is proposing to streamline and clarify how Member States should undertake a comprehensive and transparent proportionality test before adopting or amending national rules on professional services.
- **Guidance for national reforms in regulation of professions:** The [mutual evaluation](#) exercise that Member States undertook between 2014 and 2016 showed that those among them that have

opened up their services markets (e.g. Italy, Poland, Portugal and Spain) now benefit from a wider choice of services at better prices, while maintaining high standards for consumers and workers. Today the Commission offers guidance on national reform needs in the regulation of professional services with high growth and jobs potential: architects, engineers, lawyers, accountants, patent agents, real estate agents and tourist guides. Member States are invited to assess whether professional requirements fulfil the declared national public policy objectives. This guidance complements the [European Semester](#) evaluations by specifically addressing the requirements applicable to these professions.

- **Improved notification of draft national laws on services:** EU law already requires Member States to notify changes to national rules on services to the Commission, providing the EU executive and other Member States with the opportunity to raise potential concerns about possible inconsistencies with EU legislation early in the process. Today the Commission is proposing improvements to this mechanism to make the process more timely, effective and transparent.

Background information

While services represent two thirds of the EU economy and account for some 90% of job creation, the services sector is underperforming. Productivity growth in the sector is low and the rest of the world is catching up. Barriers stop firms from being set up and expanding, and lead to higher prices for consumers and less choice. Moreover, the performance of manufacturing is increasingly linked to the competitiveness of services. Barriers to trade in services in the Single Market are therefore barriers to the competitiveness of EU manufacturing. To reverse this trend and create additional jobs and growth, Member States need to stimulate the development of the services economy and make better use of the potential of the Single Market for Services.

For more information

Frequently Asked Questions – [MEMO/17/11](#)

[Proposal for a Services e-card](#)

[Proposal for a Services Notification Procedure](#)

[Proposal for a Proportionality Test](#)

[Guidance on reform recommendations for regulation in professional services](#)

[Factsheet](#)

IP/17/23

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Attachments

[Services Card factsheet.pdf](#)