

Single Market Strategy

Synopsis Report on Consultation Activities

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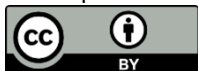
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This report analyses the input and results gathered from the consultation activities undertaken in the context of preparation of the EU Single Market Strategy adopted on 21 May 2025. It presents the main conclusions from consultation activities that took place between October 2024 and March 2025 and informed the preparation of the Strategy.

This document should be regarded solely as a summary of the contributions made by stakeholders in the public consultation on Single Market Strategy 2025. It cannot in any circumstances be regarded as the official position of the Commission or its services. Responses to the consultation activities cannot be considered as a representative sample of the views of the EU population.

1. The aim of the Single Market Strategy

The new Single Market Strategy will strengthen our European home market, our anchor of stability and resilience in an uncertain world. For more than thirty years, the Single Market has been Europe's driver of growth and prosperity, offering a stable and predictable environment grounded in the rule of law and embodying the values of our social market economy. To further maximise these positive gains, it is essential to pursue the further completion of the Single Market, enhance its competitiveness and unlock its full potential. The Single Market Strategy will aim to introduce a new approach to tackling the remaining regulatory and administrative barriers and reigniting European competitiveness.

Key ideas on how to improve the Single Market have been provided by the [High-Level Report "Much more than a market"](#) by Mr Enrico Letta as well as the [Antwerp Declaration](#) signed by many business leaders. A report by Mr Mario Draghi on the [Future of European competitiveness](#) also further developed ideas on the role of the Single Market in boosting Europe's competitiveness. The Commission's own [2025 Annual Single Market and Competitiveness Report](#) also reiterated that further integration of the Single Market is clearly needed.

In April 2024, the European Council called on the Commission to present a new horizontal Single Market Strategy by June 2025. A month later, the Competitiveness Council reiterated this call, asking the Commission to present a concrete plan of actions with clear timelines and milestones.

2. Objectives of the consultation activities

To prepare the ground for the preparation of the Single Market Strategy, the Commission set out to undertake comprehensive consultations with key stakeholders. The input gathered through the consultations would complement the analyses in the reports mentioned above.

The consultations aimed at gathering input from a wide range of stakeholders. This included national, regional and other public authorities dealing with relevant aspects of the Single Market, businesses and business organisations operating in or otherwise affected by the Single Market, labour and trade union representatives, non-governmental organisations, citizens wanting to contribute to the discussion on improving the Single Market as well as other EU institutions.

The aim of the consultation activities was to obtain information on the functioning of the Single Market as well as gather ideas on possible ways and solutions to address existing challenges. The consultation activities were set up to reflect this open and broad approach and therefore only set out key guiding questions to structure the discussions. Where relevant, the consultations focused on a particular area or aspect of the Single Market when discussing with specific stakeholders or networks (e.g. SME networks).

The broad guiding questions focused on the following issues:

- barriers to the free movement of goods and services in the Single Market and possible ways of addressing them;
- regulatory and administrative challenges in the Single Market and potential policy actions to address them;
- the horizontal governance of the Single Market and the enforcement of its rules, and possible initiatives to improve them. Particular attention was paid to the perspective of SMEs.

3. Consultation activities undertaken

The consultation strategy was based on several consultation activities:

- a) **A formal Call for Evidence:** the Call for Evidence was open to all stakeholders between 3 and 31 January 2025. As a result, 643 responses were received; among which 40% were gathered from business associations, 26% from businesses and citizens and further responses from public authorities.
- b) **Country meetings with local stakeholders:** a total of 14 country meetings were organized between January and March 2025 with local stakeholders in Finland, Portugal, Germany, Austria, France, Croatia, Denmark, the Netherlands, Ireland, Italy, Sweden, Czechia, Estonia and Luxembourg. The meetings were organized with the support of local partners (Commission representations, national authorities or business associations).
- c) **Bilateral consultations with selected business and trade organizations:** over 20 meetings took place in Brussels between October 2024 and March 2025 with interested business organisations, trade unions and other stakeholder organisations.
- d) **Consultations with relevant stakeholder networks managed by DG GROW:** Consultation activities were also organized with several relevant networks of stakeholders managed by DG GROW, including the Single Market Enforcement Taskforce (gathering high-level Member States representatives), the Industrial Forum (gathering EU industry leaders, national authorities and other stakeholders); the Enterprise Europe Network (gathering EU experts working on Single Market issues across Member States); the SME Assembly (gathering EU experts working on SME issues); as well as the EU Product Compliance Network (gathering EU and national experts working on customs and product compliance).
- e) **A dedicated hearing with social partners:** an official social dialogue was convened with both business and labour partners, gathering almost 60 participants from both delegations. This half-day exercise was followed up by written contributions of social partners.
- f) **Dedicated hearings and meetings with other EU institutions:** the Commission also held several formal dialogues with other EU institutions, including a dedicated hearing with the European Parliament's Internal Market Committee, discussions in the Competitiveness Council including its High-Level Group and exchanges with the European Economic and Social Committee and Committee of the Regions.
- g) **A dedicated high-level event on the Single Market,** the 2025 Single Market Forum, was organized in Krakow, Poland, on 17 February in cooperation with the Polish Presidency of the Council of the EU. It brought together more than 400 stakeholders from around Europe, who discussed barriers to the Single Market for goods and services and ways to address them, as well as means to improve Single Market governance structures.

4. Analysis of the outcomes of the consultation strategy

The Commission thoroughly analysed the input received during the consultation activities. The input received can be grouped into five broad categories:

- regulatory and administrative burden and the need for simplification;
- barriers to the free movement of goods;
- barriers to the cross-border trade and investment in services;
- the governance of the Single Market;
- other specific issues relevant to how companies operate in the Single Market.

This report summarises the input received for each of these categories. Across the analysis, comparisons are often made between the input received through the formal Call for Evidence and ideas gathered through other consultation activities, while highlighting relevant points raised by specific stakeholders where relevant.

4.1. Simplification

The need for simplification and reduction of regulatory burden are the most recurring topics mentioned by stakeholders across all consultation activities.

First, stakeholders draw attention to the complex and onerous corporate reporting obligations, which they identify as important barriers for businesses operating in the Single Market. In particular, stakeholders highlight reporting obligations related to recent legislation such as the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD) as well as the Climate Border Adjustment Mechanism (CBAM). There is broad agreement among stakeholders on the need to reduce such reporting requirements, especially for smaller companies.

The cumulative burden and complexity of regulation is presented as another key barrier across all consultation activities. To reduce this burden, stakeholders propose simplification in different legislative areas, as described in the following sections. Some of the examples are posting of workers, waste management rules and related Extended Producer Responsibility (EPR) schemes, business registration and permitting, and public procurement process. Overall, they identify a need for simplified language in regulatory provisions which are often difficult to understand for businesses. While such simplification measures were generally supported by a great majority of stakeholders across different consultation activities, trade unions participating in the exercise generally warned against deregulation and simplification.

An important issue raised in several strands of the consultations is the use of Better Regulation principles to reduce regulatory burden for businesses. Stakeholders highlight the need for better impact assessments of future legislative proposals, while incorporating a ‘think small’ approach, and using the ‘one-in, one-out’ principle when adopting legislation. They warn that new rules should not create overlaps and inconsistencies. Several stakeholders point out that adopting legislation should also be subject to prior competitiveness tests and enforcement capacity checks.

More generally, stakeholders point out the important role that better use of digital tools, one-stop-shop platforms and greater interoperability of data should play in the simplification and reduction of the regulatory and administrative burden.

4.2. Governance of the Single Market

The need to improve the governance of the Single Market is one of the other most recurring topics across all consultation activities.

First, stakeholders almost unanimously support strengthening the enforcement of Single Market rules, especially through more effective, targeted and proactive use of infringement procedures. As part of this, they largely support increased transparency on the Commission’s enforcement priorities, pending infringements procedures, and greater use of EU Pilots. This point is particularly raised in contributions submitted by certain Member States. Representatives of business and business associations, moreover, highlight the need for a more uniform and less fragmented enforcement to maintain a level playing field across the Single Market.

In addition, many stakeholders support the idea of enhanced collaboration among national enforcement authorities and the Commission. Business representatives strongly call for an enhanced mandate of Single Market Enforcement Task Force (SMET), while supporting improved transparency of its actions. Moreover, the analysis of the responses shows great support for better involvement of businesses in the implementation of Single Market rules. One possibility presented would be strengthening the collaboration of SOLVIT centres with businesses impacted by new regulations or the possibility of setting up Single Market Offices in Member States to strengthen national enforcement capacities.

As regards implementation of EU law, stakeholders call on the Commission to provide transparent and comprehensive guidance on Single Market rules. This could entail the monitoring of national transposition and implementation measures by the Commission. At the same time, some Member States express the need for more consistent use of notification procedures for draft national measures to prevent inconsistent and incorrect application of EU Single Market rules. Stakeholders also refer to the Single Market Barriers Prevention Act, proposed for consideration by the Commission, as a potentially important new instrument for notifying and preventing new barriers in national legislation.

The use of Better Regulation principles to improve the governance of the Single Market is another important topic raised by many stakeholders. This issue featured particularly prominently in the consultations with business associations but less so in submissions

received through the Call for Evidence. Stakeholders in particular highlight the need for high-quality policies created in a transparent and accountable policymaking process. They point out the need for transparent and inclusive stakeholder consultations, which provide sufficient time and information to participants in this process. There is also broad agreement about the need to improve the quality of impact assessments for all Commission proposals. Many stakeholders put forward ideas such as to include an SME test, a competitiveness check and an enforceability test as part of the impact assessment process. They also propose that the quality of impact assessments should be verified by the Regulatory Scrutiny Board, whose role in the review of new initiatives should be strengthened. Lastly, the majority of stakeholders highlight the importance of 'one-in, one-out' principle and the 'think small first' principle in law-making as well as the need for a specific target for regulatory burden reduction.

Finally, many stakeholders also bring up the use of digital tools to improve governance. Many highlight the need for better digital tools to streamline administrative procedures and to facilitate compliance in the areas such as product labelling, social security coordination and public procurement. In the Call for Evidence, many respondents propose to expand the Single Digital Gateway which already offers a one-stop-shop for businesses to access information and complete administrative procedures. Others, and SMEs in particular, also highlight the importance of interoperability and standardisation of public digital services. An ambitious vision of shifting the Single Market into the digital age was outlined by some Member States.

4.3. Cross-border trade in services

The consultations conducted identified several barriers to the cross-border trade and investment in services.

Most stakeholders focus on the barriers to the posting of workers, hindering the temporary provision of services in the EU. They explain the regime for posting of workers is currently overly fragmented, as Member States impose different information and documentation requirements, practices and platforms for declaring postings. Many therefore propose a more standardised and digitalised system to meet the reporting requirements for posted workers, leveraging cooperation mechanisms like the Internal Market Information System (IMI), supported by other digital tools like the Single Digital Gateway (SDG) and the One-Only Technical System (OOTS). Most stakeholders raising this issue also strongly support the adoption of the Commission legal proposal establishing a common portal for the e-declaration of posted workers to facilitate temporary cross-border postings, while some also advocate for the relaxation of the declaration requirements in the first place. In addition, they also seek improved access to information and clarity on the rules for the posting of workers. Furthermore, stakeholders also raise the need for simplification and modernisation of the coordination of social security in posting procedures, proposing digitalised social security certification with longer validity, based on the once-only principle. Trade unions, on the other hand, express support for the increased enforcement of workers' protection, specifically addressing the issues in sub-contracting and labour intermediaries. To strengthen

enforcement capacities, there is also broad stakeholder support for closer collaboration between inspectorates through the European Labour Authority.

The burdensome recognition of professional qualifications has also been commonly recognised as a barrier by stakeholders across all consultation activities. They mostly focus on the need to simplify the recognition process by digitalisation. Moreover, many stakeholders call for an enhanced recognition of qualifications of workers from third countries. To further harmonise recognition of qualifications and increase the mobility of workers, common training frameworks should be promoted. The lack of information is often mentioned as a key barrier, which could be addressed by Member States by improving access to information, which should be provided in multiple languages and comprehensible formats.

Overall, stakeholders broadly encouraged the completion of the Single Market for services. They suggest that cross-border service provision should be liberalised through consistent and complete implementation of the Services Directive. There is broad agreement that the Directive should not be reopened, but on the contrary, its implementation should be strengthened and its enforcement made more uniform. For this purpose, stakeholders propose the Commission to clarify the implementing details of the Directive. Many stakeholders also propose that the Single Market for services should be further liberalised through the removal of barriers such as permitting, licencing and authorisation schemes. Many stakeholders also propose an overall reduction of regulated professions. This, however, is opposed by trade unions, which instead call for creating more high-quality jobs with an emphasis on public services and services of general interest.

Finally, the consultations also identified proposals and input on possible measures to address challenges in specific sectors such as in transport, energy, retail, construction, telecommunications, and financial services.

4.4. Free movement of goods

Barriers related to the free movement of goods in the Single Market were among the most commonly addressed topics of the consultation process.

Different types of stakeholders express concern about the pressures on the European market surveillance system and call for its enhancement to prevent poor-quality products from entering the Single Market and distorting the level playing field. To address the growing problems related notably to e-commerce, there is a need to strengthen the powers of market surveillance authorities and fully enforce the Digital Services Act, according to many responses.

The importance of the New Legislative Framework (NLF), which harmonises EU product rules, was also a key issue for many stakeholders. They call for the Framework to be updated and amended to make it conducive to the green and digital transition. This would require adapting the NLF to better cover digital products, clarifying and aligning definitions of obligations as well as promoting new tools such as the Digital Product

Passport. Overall, there is agreement that the Framework should promote innovation and, at the same time, be more future-proof and flexible for new technological developments. A number of Member States responding to the consultation advocated for an enhanced application of the principle of mutual recognition in the field of free movement of goods.

Standardisation was highlighted as one of the most significant issues underpinning the free movement of goods. Stakeholders emphasised the importance of EU remaining a global standard setter. Most focused on the need for greater harmonisation of EU standards and for a stakeholder-driven standardisation system. They also encouraged development and alignment with international standards but not at the expense of quality and consumer benefit.

The fragmentation of packaging and labelling requirements was also mentioned as a significant barrier in the Single Market. There is strong demand by stakeholders for greater harmonisation of labelling requirements across all Member States, with digital labelling presenting an important opportunity. Moreover, stakeholders addressed the issue of waste management and disposal. Many supported the creation of a circular economy for end-of-life products and a functioning market for secondary raw materials. To do so, stakeholders see the need to address fragmentation caused by the current waste-related legislation, specifically the Waste Framework Directive and related Extended Producer Responsibility schemes (EPR). To create a Single Market for waste, stakeholders propose to further harmonise the EPR requirements, scope and reporting obligations.

Another prominently mentioned barrier to the free movement of goods are territorial supply constraints, which can have a distorting effect on consumer prices in the retail sector. To address the issue, stakeholders propose countering territorial supply constraints with strengthened competition law enforcement, better application of the Geoblocking Regulation and harmonisation of labelling legislation. Some Member States proposed a complete ban of territorial supply constraints.

4.5. Other issues affecting businesses in the Single Market

Several other issues crucial to allowing businesses to operate in the Single Market have also been highlighted throughout the consultation activities.

Many stakeholders raise the urgent need for the revision of EU public procurement rules. According to many, these rules are overly complex and fragmented across the Single Market, requiring simplification as well as speeding up tendering processes. This issue is particularly relevant for SMEs which often feel hindered by complex rules from participating in public procurement procedures. Several stakeholders also underline the need to better incorporate social and environmental conditionalities in public procurement to strengthen the EU's twin transition to a more sustainable and digital economy. Furthermore, public procurement should be used to promote innovation,

research and development as well as to create lead markets in Europe, according to some stakeholders.

Creating an enabling environment for SMEs was another important topic. Many stakeholders mentioned the need to simplify and reduce the regulatory and administrative burden which especially affects SMEs. Reporting obligations were flagged as particularly onerous and should thus be reduced. Several ideas to facilitate cross-border operations of businesses were presented, such as for instance simplifying bank account opening procedures. To ensure future rules are created with SMEs in mind, stakeholders suggest introducing an SME test for EU legislative proposals to ensure new rules are fit for purpose for SMEs. Finally, stakeholders also mention the need to further facilitate access to EU funding programmes and technical assistance for SMEs.

Several stakeholders also address the issue of fragmentation in VAT registration, suggesting greater harmonisation. While this is strongly supported by businesses and business associations, certain Member States contributions highlight reservations about tax harmonisation. Furthermore, some businesses also advocate the use of tax incentives for greater private investments in European companies.

Another proposal discussed as part of the consultation is the possibility of introducing a new uniform legal framework for company law with simplified rules on registration, shareholding and cross-border presence. This could take the form of a 28th regime to complement national rules as proposed by Enrico Letta in his report on the Single Market. This framework could be particularly valuable, but not limited to, start-ups and other SMEs. In this context, strengthening digital tools was also highlighted as crucial. A new uniform legal framework could also help standardise and simplify investment processes, thereby improving access to funding. While some businesses and business associations supported the inclusion of tax and labour law in the uniform legal framework, other stakeholders such as trade unions were more critical and disagreed with the inclusion of the social aspects under the 28th regime.

Attracting further investments featured prominently among certain stakeholders, in particular businesses and business associations. They highlight the need to improve access to finance, specifically for SMEs and start-ups but also for other companies more broadly. They also see the need for strengthening the capital markets union to provide sufficient liquidity. Moreover, the availability of corporate financing should be increased both through incentivising more private investments and through better coordination of national subsidies.

Finally, competition law is seen as a crucial tool to ensure a level playing field in the Single Market. Several stakeholders, among which many SMEs, called for more stringent enforcement of competition law rules to maintain a level playing field. On the other hand, some stakeholders emphasise that merger and State aid rules should be revised to ensure companies in strategic sectors can scale up faster and become more competitive in global markets.

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