



Questions and answers on the Single Market Strategy

Brussels, 21 May 2025

1. Why is the Commission publishing a new Single Market Strategy now?

The Single Market is our European home market. Since its creation more than 30 years ago, it has been the driver of our growth, prosperity and solidarity. The Single Market promotes the free movement of goods, services, people and capital. It offers opportunities and a stable and predictable environment to invest and do business in Europe; while embodying the values of our social market economy. Today, the Single Market is the second largest global economy, worth €18 trillion, increasing the EU's GDP by at least 3-4%.

The Single Market supports Europe's stability and resilience against the rising global trade tensions and an increasingly unpredictable global economic environment. It offers opportunities for European businesses to trade more with one another across borders, helping to absorb external shocks and shielding them from global uncertainties.

Despite progress, however, the Single Market remains fragmented, preventing businesses and citizens from using its full potential. Recognising this, the Commission is today presenting a comprehensive strategy to make it easier for businesses to operate and invest across the Single Market. Helping businesses prosper in Europe will boost Europe's competitiveness and support our strategic autonomy and security in these uncertain times.

2. What makes the new Single Market Strategy different to previous initiatives addressing the Single Market?

The Single Market Strategy reflects a new global situation and a new approach. There is an urgent need to improve the Single Market and allow businesses to make full use of its potential. At its base lies a new approach to completing the Single Market, grounded in a new contract with businesses and citizens. It envisages more free movement within the Single Market to open opportunities for businesses and citizens; but also more protection and empowerment for workers and consumers alike.

The new method for our European market focusses on reducing barriers, starting with the 'terrible ten', the most harmful obstacles holding back trade and investment; on boosting European services market; on focussing on SMEs and promoting digitalisation and simplification. It also urges for increasing political and national ownership to improve the implementation and enforcement of agreed policies and exploits the direct link between EU spending and regulatory reform. Importantly, the new approach also offers more protection, acting as a shield from unfair trade practices.

3. What are the main measures proposed by the Strategy?

The Strategy puts forward proposals to tackle existing barriers in the Single Market, with a focus on the 10 most harmful barriers identified. The identified barriers reflect the results of dedicated stakeholder consultation which complement other analyses on the Single Market, including the Commission's own Annual Single Market and Competitiveness report among others.

It also brings a new dynamic into the Single Market for services, by addressing challenges faced by specific services sectors. Furthermore, specific measures are proposed to make it easier for SMEs to operate in the Single Market, while promoting their growth and encouraging scaling up.

The Strategy also aims to simplify the business environment through digitalisation and promoting the use of digital tools by default. Other simplification measures are presented in the [Simplification Omnibus package](#) which is published today in parallel to the Strategy. Finally, the Strategy also focusses on better enforcement of Single Market rules.

4. What are the 10 terrible barriers?

The Commission has identified a set of 'Terrible Ten' Single Market barriers on the basis of comprehensive consultations of stakeholders:

- Complicated business establishment and operations
- Overly complex EU rules
- Lack of Single Market ownership by Member States
- Recognition of professional qualifications
- Long delays in standard-setting that weigh on innovation and competitiveness
- Fragmented rules on packaging, labelling and waste
- Outdated harmonised product rules and lack of product compliance
- Restrictive and diverging national services regulation
- Burdensome procedures for temporary posting of workers
- Territorial supply constraints

The Commission will address the above barriers as a matter of priority. Often, these barriers are an unintended consequence of legitimate policy concerns. Tackling the barriers therefore does not put into question the Single Market's commitment to high social and environmental standards protecting citizens and workers.

5. What are the main measures proposed to address barriers to the free movement of goods?

The Commission is proposing to address the most harmful 'terrible 10' barriers that hinder the free movement of goods and services. The identified barriers related to goods are the following:

- **Fragmented EU rules on packaging, labelling and waste**: The Commission will make product labels clearer and more accessible. In the future, digital labels using QR codes will allow consumers to easily access information about products, while also making it simpler for businesses to comply with labelling rules. The Digital Product Passport is a container for product-related information, including labels, and will be gradually rolled out with the aim to ultimately use it across all EU product legislation. In addition, the Commission will propose to harmonise and simplify requirements related to extended producer responsibility (EPR) schemes which cover the end-of-life management of their products, including by proposing a digital one-stop shop to accomplish formalities and even earlier/immediately remove unjustified authorised representative requirements from EPR schemes and reduce reporting obligations.
- **Outdated product rules and insufficient market surveillance capacities** in Member States: the Commission proposes to better coordinate at EU level activities of national market surveillance authorities. The Commission also envisages to modernise the EU legal framework for products, the so-called New Legislative Framework, and adapt it to new realities.
- Long **delays in standard setting**, which make it complex and costly for businesses to show their compliance with EU rules: the Commission intends to review the Standardisation Regulation to enhance the speed and flexibility of the standardisation process, ensure more balanced stakeholder participation, in particular for startups, SMEs, civil society and academia, improve access to standards and reinforce the EU's role as the global standard-setter. In the meantime, the Omnibus package adopted today together with this Strategy will allow the Commission to establish common specifications which businesses can use to prove that they comply with legal requirements in situations where standards are not available.
- **Territorial supply constraints**: the Commission will develop tools to act against certain **territorial supply constraints (TSC)** in the retail sector. When harmful and unjustified, TSC may limit consumer choice and contribute to significant price differences among products across the EU, notably for daily consumer goods, covering situations beyond those captured by competition law.

6. What is the Commission proposing to address the most harmful barriers to cross-border trade in services?

By addressing the barriers to the cross-border trade in services, the Commission helps businesses providing services in other EU countries. The relevant barriers are the following:

- **Restrictive and diverging national services regulations:** to overcome this key barrier, the Commission proposes to make it easier for businesses to temporarily provide services cross-border, possibly by harmonising service authorisation and certification schemes where based on EU law.
- **Recognition of professional qualifications:** to help citizens willing to work in another Member State, the Strategy proposes to promote the use of digital tools and extend automatic recognition schemes, for instance based on the Common Training Framework to make recognitions faster and easier.
- Burdensome procedures for companies to **temporary post workers across borders:** in addition to the ongoing work to introduce an EU portal for the simpler declaration of the posting of workers, the Strategy will consider measures to make it easier to provide services cross-border temporarily. It will also consider deploying the European Social Security Pass (ESSPASS) across the Single Market and strengthening the European Labour Authority (ELA).

These actions will be complemented by sector-specific actions as part of a new approach on services.

7. Why is the Commission suggesting a new approach for the services sector and what is envisaged?

As the European services market is not operating at full potential and most barriers preventing trade in services have not changed for 20 years, the Strategy presents a new approach to inject new dynamism into the **EU services market**. With a new sectoral policy approach, the Strategy proposes to address issues specific to individual sectors, focussing on those with high economic value and relevant to the green and digital transitions. This approach will complement the existing horizontal policy approach.

The Strategy lays out plans for action in the construction sector, by proposing a **Construction Services Act** in 2026. The Commission will also propose a new **Delivery Act** to modernise the EU postal and parcel delivery regulatory framework. Furthermore, the Commission will present initiatives to facilitate provision of industry related services, helping companies offer installation, maintenance or repair services for the products sold to other EU countries. The Strategy also envisages to issue guidance to support Member States in freeing regulated business services (including for instance legal, accounting, tax and advisory services) from unnecessary regulation. It also proposes to ensure proportionality when it comes to retail regulation. These initiatives will complement specific actions the Commission is taking to ensure better integration of the Single Market for energy, telecommunication and financial services.

8. What other barriers is the Commission addressing with this Strategy?

The strategy recognises the barriers related to **business establishment and operations** caused by complex national requirements. To address these, the Commission will establish a so called 28th regime for European company law to facilitate businesses to set up digitally and to operate according to common rules throughout the EU (e.g. as regards relevant aspects of tax, labour and insolvency law). The Commission will also facilitate cross-border business transfers.

The strategy also aims to address the inconsistent application of EU rules at national level, which can create unnecessary barriers for businesses. The Commission is examining how its own rules may contribute to these obstacles and is taking steps to simplify them. To achieve this, the Commission is adopting a series of packages of simplification measures to reduce administrative burdens. Furthermore, the Commission will streamline the EU's public procurement rules, including those related to defence, to make them more efficient and accessible.

9. What actions are foreseen to support SMEs to take advantage of the Single Market?

SMEs are often heavily impacted by complex rules and regulations that vary across the European Union. To address this, the European Commission is taking steps to support SMEs in navigating the Single Market and making the most of its opportunities.

The Commission is introducing an online SME ID tool, which will allow SMEs to easily prove their status. This tool, available in all EU languages, will help SMEs comply with EU rules and access

funding more easily. However, the Commission emphasises that SMEs should only be asked to confirm their status in exceptional and justified cases. The SME Envoy Network will provide a platform to promote measures that support SMEs in cross-border trade. Additionally, the Commission will develop a voluntary approach to help SMEs demonstrate their sustainability efforts and improve their access to sustainable finance.

Today, the Commission is also introducing a new definition for Small Mid-Caps (SMCs), which applies to companies with fewer than 750 employees and a turnover of up to €150 million or total assets of up to €129 million. SMCs will benefit from simplified requirements under certain EU laws, making it easier for them to scale up their businesses. To ensure that Commission policies support SMEs, the Strategy announces the development of SME-friendly provisions that will be considered systematically when drafting and negotiating legislation. The Commission will also implement an SME check for all relevant initiatives. Today, the Commission is publishing its latest Annual Report on European SMEs, which forecasts growth in SME value and employment this year.

10. How will the strategy help to improve digitalisation in the Single Market?

Many businesses and entrepreneurs still face difficulties when trying to access information and complete administrative tasks online. Even when digital procedures are available, complex laws, outdated data formats, and inefficient IT systems make it hard for citizens and businesses to comply with EU rules digitally.

A shift from a document-based to a data-based Single Market is therefore needed. To support this, the Commission is today proposing to further develop the Single Digital Gateway as a one-stop-shop to access information, assistance services as well as advance the availability of the "once-only" technical system for administrative procedures. The Commission will also explore using the full potential of the Internal Market Information System (IMI) for coordination among public authorities. In addition, the Commission will work on measures to further digitalise, standardise and simplify public procurement procedures across the EU.

Moreover, the Commission will also propose implementing the Digital Product Passport (DPP), introduced for the first time in the Ecodesign for Sustainable Products Regulation (ESPR), across relevant existing and new EU legislation. The DPP will serve as a digital container for digital labels, conformity documentation, instructions, manuals and other technical documentation required by EU legislation. The Commission is proposing to do this as part of a revision of the EU product legislation framework (called the New Legislative Framework), adapting existing EU harmonised product rules. Moreover, the European Business Wallet will establish digital identity for economic operators. It will enable sharing verified data and credentials and a legally valid notification channel, enabling seamless interactions with public administrations and reducing the cost of regulatory compliance.

11. How does the strategy plan to improve enforcement of Single Market rules and strengthen national ownership?

To make the Single Market works effectively, we need to enforce its rules in a proactive and efficient way. This requires close cooperation between the European Commission and EU countries, from national to local level. To achieve this, the Commission proposes that each EU country appoints a high-level representative, known as a "Single Market Sherpa", to promote the application of Single Market rules and help remove national barriers. The Commission will bring these representatives together regularly to facilitate cooperation and share best practices. The Commission is also encouraging EU countries to take a more proactive approach to preventing new regulatory barriers from arising. This can be done by making full use of existing notification systems and carefully assessing the potential impact of new national rules. If necessary, the Commission will propose new legislation, such as a Single Market Barriers Prevention Act, to address any issues that arise. Member States are also being encouraged to reinforce their SOLVIT centres, which help resolve individual obstacles faced by businesses and citizens when operating across borders. The Commission will follow up on any systemic issues identified by SOLVIT and take a more strategic approach to enforcement, focusing on key areas outlined in an Annual Single Market Enforcement Agenda. By working together and taking a proactive approach to enforcement, we can ensure that the Single Market delivers its full potential and brings tangible benefits to businesses and citizens across the EU.

12. How can a better functioning Single Market contribute to a stronger EU globally?

A strong Single Market gives Europe a strong voice globally, allowing the EU to remain a strong and

reliable partner for like-minded countries globally and within the region. To complement the access to the Single Market granted to EEA-EFTA countries, the Commission is proposing a new structured framework to boost the inclusion of the Western Balkans, Ukraine and Moldova through Single Market “highways”. These will encourage regulatory alignment and facilitate the integration of their industries into European value chains ahead of full accession.

In addition, whilst the EU is and will remain one of the most open economies in the world, global trade has been drastically altered by unfair practices, 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.

For More Information

A [Strategy](#) for making the Single Market simple, seamless and strong

[Press Release](#)

[Factsheet](#)

[Single Market Strategy](#)

QANDA/25/1275

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