

Pan-European Business Survey exposes gaps in the Single Market: message to President von der Leyen to raise ambitions

70% of businesses say that the Single Market is not sufficiently integrated, allowing them to operate and compete freely in a market of 500 million consumers. At the start of a new legislative term, the von der Leyen Commission, the national governments and the newly elected MEPs need to know what the major issues are for businesses and what can be done about it. More than 1100 businesses from all over the EU have given their opinions on the current state of the Single Market.

The European institutions, in order to cater to the needs of its citizens and businesses, have to evaluate on an evidence-based way the business environment before making legislative proposals. This is what led EUROCHAMBRES to conduct an EU-wide survey among businesses. The findings should be used by the new European Commission for its soon to be published Working Programme.

EUROCHAMBRES President, Christoph Leidl said: “The report gives a privileged insight in the obstacles faced by companies on a daily basis, and SMEs in particular, still Europe’s engine for economic growth, innovation, job creation, and social integration in the EU. The report shows that obstacles can differ according to the type of company and it is clear that small companies demand that the regulatory framework be better adapted to their specificities. We therefore urge the Commission to come up with initiatives which cut red tape and provide better information to companies.”

According to the survey, the five most hindering barriers to trade in the EU are:

- Complex administrative procedures (79.5%)
- Different national service rules (71.6%)
- Inaccessibility to information on rules and requirements (69.1%)
- Different national product rules (67.0%)
- Different contractual/legal practices (65.6%)

The five most favoured solutions to tackle the current barriers are:

- Cutting red tape e.g. extensive reporting, information or documentation obligations (91.2%)
- Better and clearer information on a single EU online portal in different languages concerning all necessary procedures and formalities to operate in another EU country (86.5%)
- Administrative simplification for trading goods and services in other EU Member States by making available a maximum number of procedures through an online web portal (85.0%)
- Improved implementation of EU law via more cooperation between Member States and EU Commission on enforcement (83.0%)
- Take greater account of the impact of new regulations on small and midsized enterprises (82.5%)

The Chair of EUROCHAMBRES’ Single Market Committee, Juho Romakkaniemi, said: “We need to have more companies operating cross-borders, especially in the services sector where our productivity growth is too low. The figures in the report confirm that service providers are much more critical about the Single Market than producers. Further standstill in this area will inevitably lead to a loss of competitiveness of our businesses.”

Additional information

1. ECH Single Market Survey report - <http://bit.ly/SMSurveyReport>
2. ECH SM Survey infographic - http://bit.ly/Survey_Infographic
3. ECH SM Survey Factsheets - <http://bit.ly/SurveyFactsheet>
4. ECH SM Survey 5 most important obstacles per member state: <http://bit.ly/TopObstacles>



BUSINESS SURVEY

The state of the Single Market: Barriers and Solutions

DECEMBER 2019



EUROCHAMBRES

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Introduction

At the October 2018 European Parliament of Enterprises¹ (EPE), 69.3% of entrepreneurs replied “No” to the question “*Is the Single Market sufficiently integrated, allowing your company to operate and compete freely?*”. During a previous edition of the EPE in 2014, the percentage was at 84%. While the percentage is undeniably better, there still is a clear majority of businesses believing that the Single Market is not sufficiently integrated. The result of the vote is in line with the findings of European Parliament’s studies² quantifying the potential efficiency gains of policy initiatives aimed at making the Single Market working better.

EUROCHAMBRES has reached out to the participants of the last edition of the European Parliament of Enterprises as well as to the members of the Chambers of Commerce and Industry across the EU to ask them how they perceive the functioning of the Single Market in 2019.

The objective of this survey is to make the bridge between businesses and European policy-makers to help the latter to identify the right priorities for the next 5 years. As the bigger flagship initiatives are decided upon at the start of each legislative term, the timing of this survey was not randomly chosen. In light of the ever increasing demand for evidence-based policy-making, this report replies to this need. The figures in the report are all from the grass-roots and have been delivered anonymously in order to preserve the integrity of the data. This report should therefore be considered as a direct message from all 1107 responding companies to the policy-makers who shape the European business environment with the laws they engineer in Brussels and which are implemented at national level.

The Chambers of Commerce are more than any other business organisation close to the companies as they offer them assistance services during their whole life-cycle, from their creation to unfortunately sometimes their termination. The Chambers therefore are in a privileged position to claim that they are always at the forefront of what is happening in the European business community. In this report, the companies’ message to the policy-makers is also the Chambers’ message.

Methodology

EUROCHAMBRES carried out a similar survey in 2015. There were a few changes with regards to the previous edition. First, the number of suggested obstacles is higher, 16 vs 12. Second, the number of suggested solutions to the existing obstacles is higher as well, 16 vs 8. Third, in the identification of the companies, it was asked whether they are selling online. Finally, the companies were also asked this time what they do in case they believe that their Single Market rights have been infringed. As such, both studies can be put next to each other, while keeping in mind the caveats mentioned above. We believe that it makes sense to a certain extent to look back, as the vast majority of suggested obstacles were reintegrated in the

¹ The European Parliament of Enterprises is organised every 2 years by EUROCHAMBRES. The last edition took place in October 2018: <https://www.parliament-of-enterprises.eu/>

² The series of the Cost of non-Europe of the European Parliament Research Service provides an oversight of potential gains of more Single Market: [https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU\(2019\)631745](https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU(2019)631745)

2019 survey. Where considered useful, a comparison with the 2015 figures was added to the various chapters and sections.

The questionnaire for this 2019 edition was available in 14 languages.

The choice has been made to have as much as possible a breakdown of the figures according to the type of companies that replied. Indeed, the overall number offers a global view of entrepreneurs across Europe, but service providers can have different issues than producers.

1. Profile of respondents

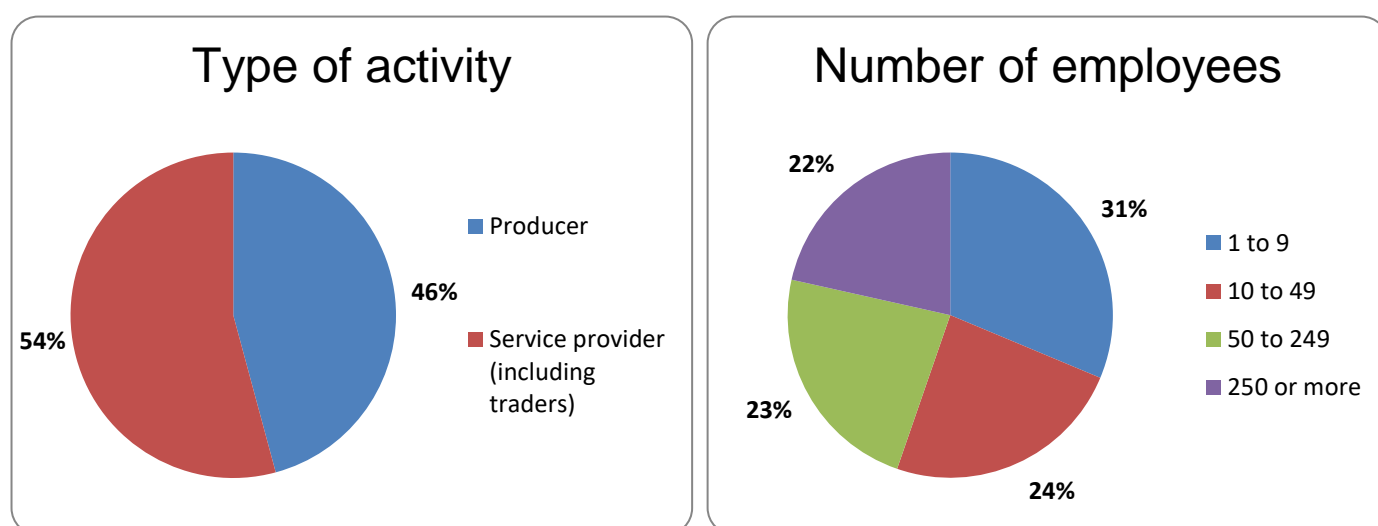
The survey was carried out between 2 September and 2 October 2019. **1107 entrepreneurs from 27 EU countries** responded to the poll. Due to the presumed imminent exit of the UK at the time of writing of this report, the country was left out.

A majority of the respondents are service providers, to the tune of 54% . The remaining 46% are producers.

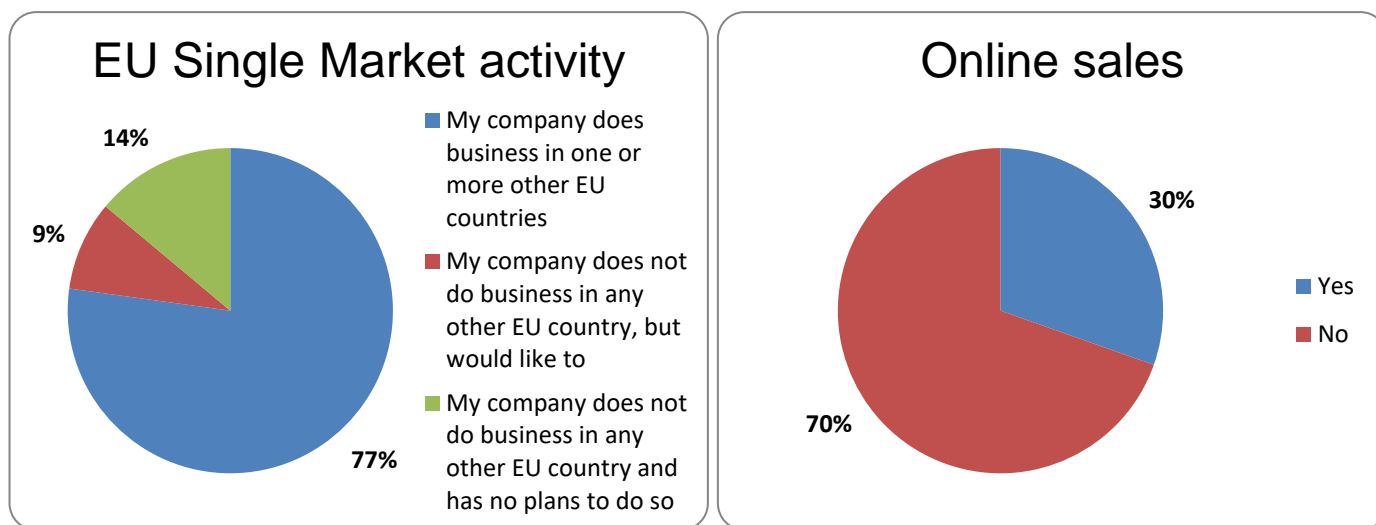
The size of the companies reflect well the constituency of the Chambers across the European Union, with a majority of 78% of companies that have fewer than 250 employees and can thus be considered according to this criterion to be a Small or Medium-sized enterprise³.

77% of respondents are already making use of the Single Market and trade across borders within the EU. 9% would like to trade in the Single Market, but due to different reasons, they are not yet making use of the possibility to do so. 14% has no plans to trade across borders with in the EU.

Somewhat surprisingly, only 30% of the respondents already trade online. This does not imply that the other 70% do not have a presence online or don't make use of online services.



³ The definition of SMEs can be found here: https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en



Comparison with 2015 Study⁴

Compared with our survey from 2015, there are percentage-wise more producers and large companies with more than 250 employees that replied. In terms of Single Market activity, a higher percentage already trades in more than one country in the 2019 survey (77% vs 71%).

⁴ 2015 EUROCHAMBRES survey on obstacles and solutions to obstacles in the Single Market can be found here: <http://www.eurochambres.eu/content/default.asp?PageID=1&DocID=7095>

2. Single Market obstacles for businesses

2.1. General overview of all respondents

11 out of the 16 suggested obstacles are considered very significant or significant by the majority of the entrepreneurs.

1) Highest obstacles⁵

- Complex administrative procedures (79.5%)
- Different national service rules (71.6%)
- Inaccessibility to information on rules and requirements (69.1%)
- Different national product rules (67.0%)
- Different contractual/legal practices (65.6%)
- Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts (60.5%)
- Differing VAT procedures (60.4%)

2) Intermediate obstacles⁶

- Insufficient legal/financial information about potential business partners in other countries (58.9%)
- Problems/uncertainties in posting workers temporarily to another country (58.1%)
- Issues related to payment recovery (57.4%)
- Non-VAT related taxation issues (54.2%)

3) Lowest obstacles⁷

- Discrimination of foreign enterprises by legislation or national authorities (46.8%)
- Difficulties in the recognition of professional qualifications and/or meeting other requirements to access a regulated profession (42.2%)
- Arbitrary public procurement practices (38.2%)
- Differences in national (online) consumer rights (36.3%)
- Language barriers (35.8%)

Comparison with 2015 figures

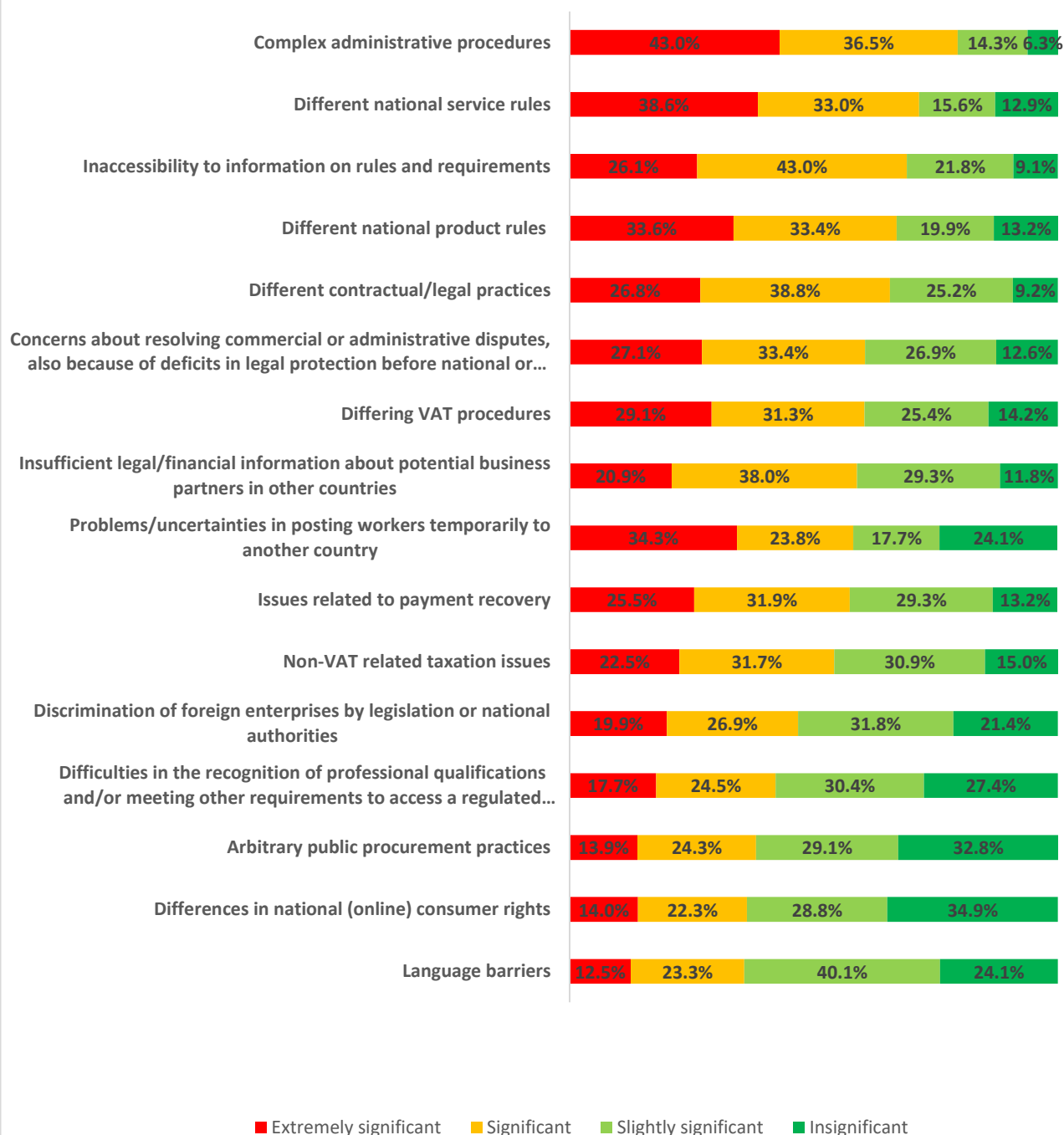
The figures of 2019 are generally lower than in 2015, which could suggest a change in the perception of the businesses about existing obstacles and ease of doing business in the EU. Whereas in 2015, 81% indicated that *“inaccessibility of information on rules and requirements”* was a significant factor to them, this percentage has dropped to 69.1%. The percentage for *“complex administrative procedures”* dropped as well, but only from 83% to 79.5%. It remains the biggest obstacle to doing business cross-borders in the Single Market. While *“issues related to payment recovery”* was significant at 75% in 2015, this obstacle dwindled with almost 20 percentage points.

⁵ More than 60% said the suggested barriers are extremely significant or significant to them

⁶ Between 50% and 60% said the suggested barriers are extremely significant or significant to them

⁷ Less than 50% said that the suggested barriers are extremely significant or significant to them

Ranking of Single Market obstacles (all respondents)



2.2. Comparison between service providers and producers

The perceptions of Single Market barriers vary according to the type of business, be it between service providers and producers, small and big companies, companies trading cross-border and those who don't and between companies acting online and offline. This section presents the differences between service providers and producers.

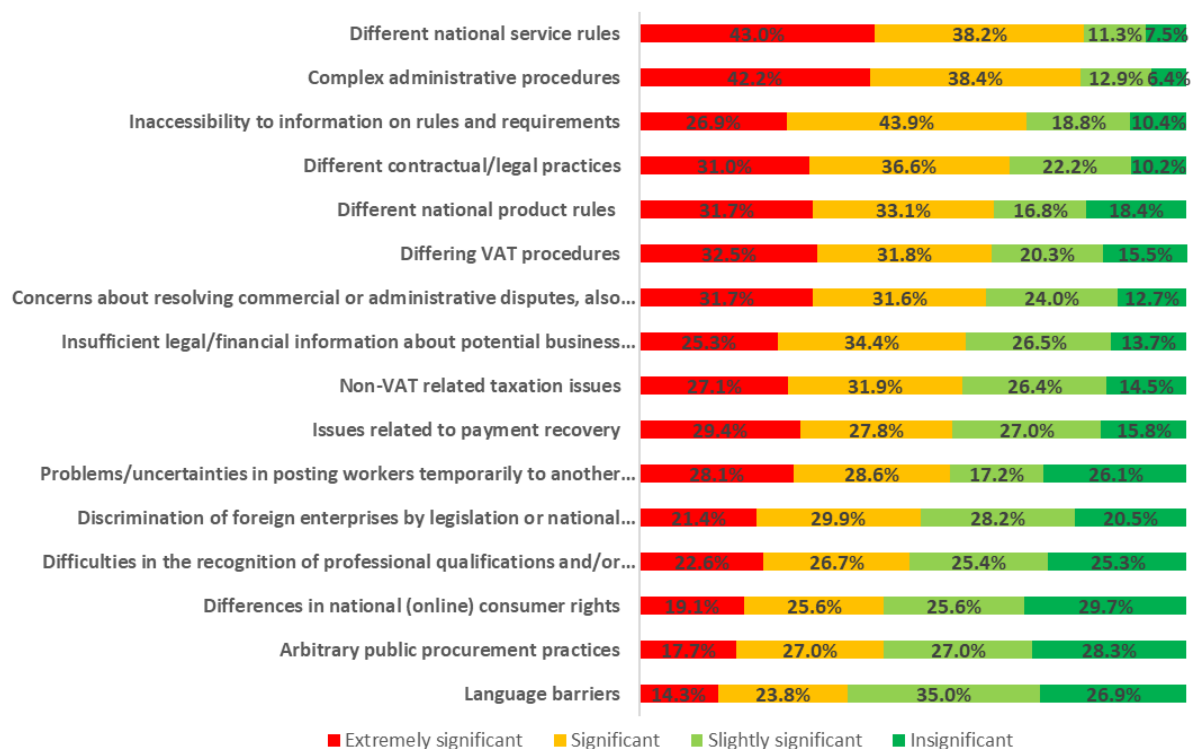
Service providers clearly perceive the Single Market differently than producers. They consistently see higher barriers than producers barring in three suggested obstacles. They rate *"different national service rules"* as the biggest obstacle to trade. The percentage is higher than the producers' percentage about *"different national product rules"* (81,2% vs 69,2%). This puts in perspective the findings of the previous section and underlines the need to break down figures per category of respondents. Nevertheless, for producers *"different national service rules"* remains as well a very important obstacle, and this confirms that in the current economy businesses are not necessarily easily confined to general categorizations.

The 6 biggest differences between the two categories are to be found in the following obstacles⁸:

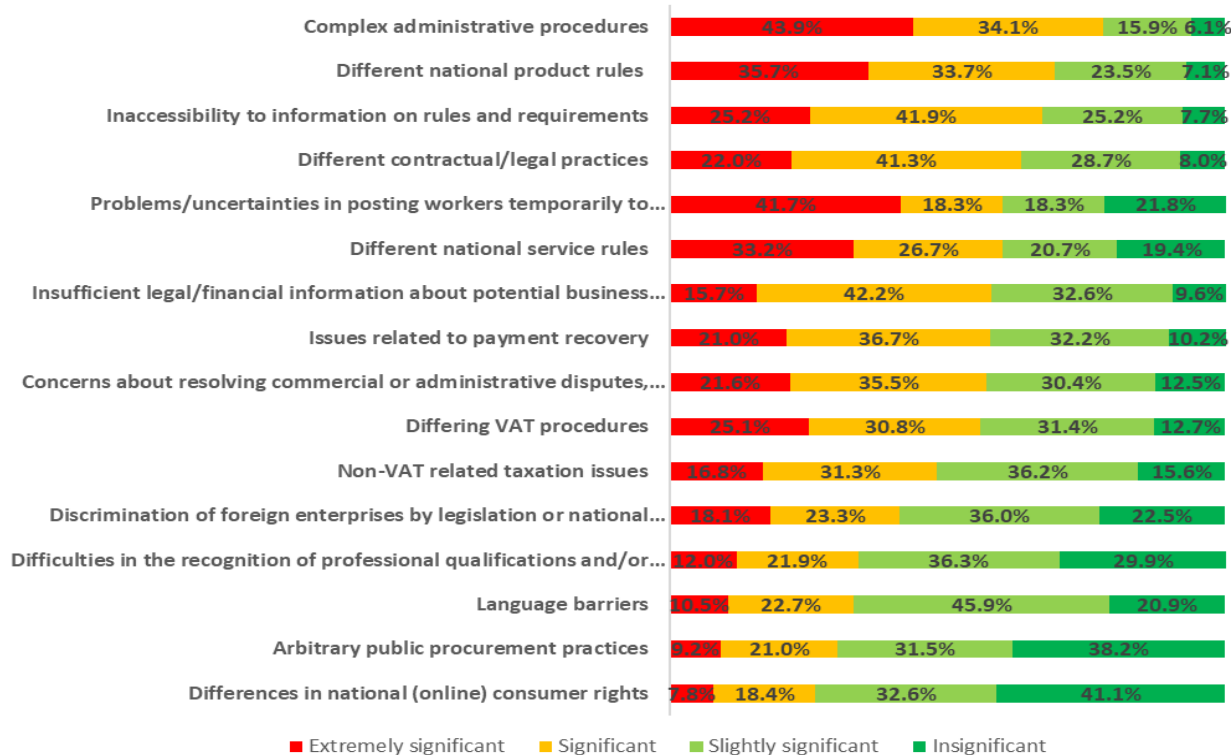
SUGGESTED OBSTACLE	SIGNIFICANT OR VERY SIGNIFICANT (SERVICE PROVIDERS)	SIGNIFICANT OR VERY SIGNIFICANT (PRODUCERS)	DIFFERENCE (PERCENTAGE POINTS)
Different national service rules	81.20%	59.90%	21.30
Differences in national (online) consumer rights	44.70%	26.20%	18.50
Arbitrary public procurement practices	49.30%	33.90%	15.40
Difficulties in the recognition of professional qualifications and/or meeting other requirements to access a regulated profession	44.70%	30.20%	14.50
Non-VAT related taxation issues	59.00%	48.10%	10.90
Discrimination of foreign enterprises by legislation or national authorities	51.30%	41.40%	9.90

⁸ Addition of the percentages "extremely significant" and "significant"

Ranking of Single Market obstacles (Service Providers)



Ranking of Single Market obstacles (Producers)



2.3. Comparison between small and big businesses

The differences between small and big businesses are not necessarily found in the most obvious obstacles. In fact, they are quite similar. However, bigger businesses with more than 250 employees worry much more about *“Problems/uncertainties in posting workers temporarily to another country”*, which they rank as their third most significant obstacle with 75.3%. This seems to be an issue, independently from the staff headcount, companies feel very strongly about when they are actually confronted with it. In the text box where respondents could freely make comments on any issue regarding the Single Market, it was the most prominent topic.

When looking at the table below, it is clear that smaller businesses have a greater need for reliable information (about potential business partners) and do not feel as secure as big companies about payment recovery. One of the causes could be linked to the fact that SMEs do not have the same amount of resources to research relevant information and for in-house legal advice.

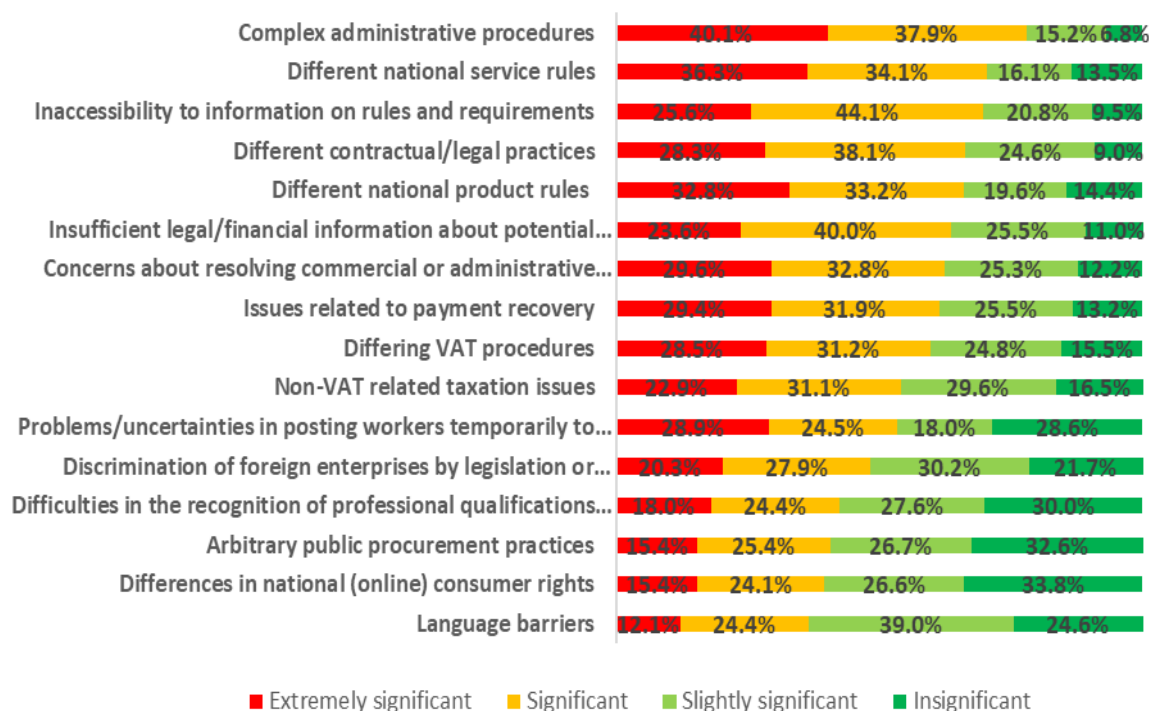
A further breakdown of the figures can be found in the annex for companies with 1 to 9 employees, 10 to 49 employees and 50 to 249 employees. An interesting figure here is that the only category of businesses to struggle in majority with *“differences in national (online) consumer rights”* are microbusinesses with 1 to 9 employees.

The 6 biggest differences between the two categories are to be found in the following obstacles⁹:

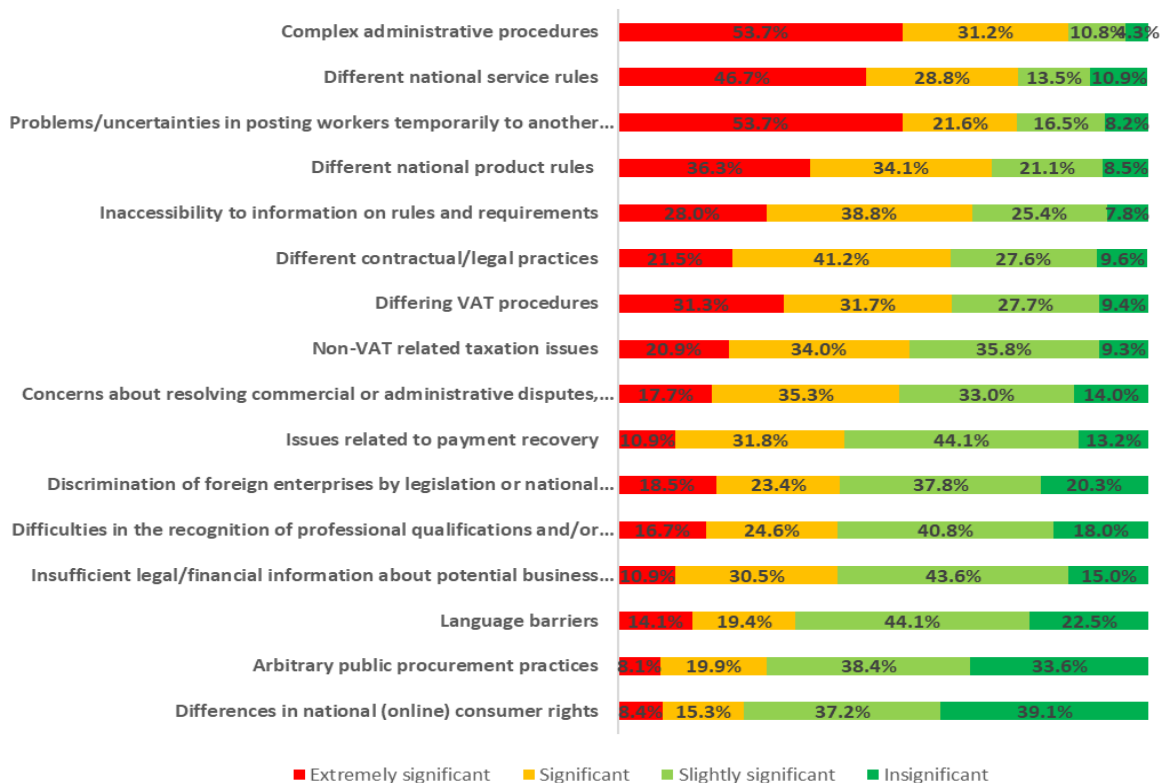
Suggested obstacle	SIGNIFICANT OR VERY SIGNIFICANT (<250 employees)	SIGNIFICANT OR VERY SIGNIFICANT (>250 employees)	DIFFERENCE (PERCENTAGE POINTS)
Insufficient legal/financial information about potential business partners in other countries	63.60%	41.40%	22.20
Problems/uncertainties in posting workers temporarily to another country	53.40%	75.30%	21.90
Issues related to payment recovery	61.30%	42.70%	18.60
Differences in national (online) consumer rights	39.50%	23.70%	15.80
Arbitrary public procurement practices	40.80%	28.00%	12.80
Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts	62.40%	53.00%	9.40

⁹ Addition of the percentages “extremely significant” and “significant”

Ranking of Single Market obstacles (SMEs)



Ranking of Single Market obstacles (> 250 employees)



2.4. Comparison between companies active in the Single Market and companies who are not

Most respondents already export to another market in the EU. While 13.9% does not and does not conceive any plans to enter into another market, there is a category of 8.9% that would like to but does not yet. As dictated by general economic laws, helping those who aren't yet active could boost competition and spur the offer. A higher offer would in turn lead to lower prices for the consumers as well as more choice. This justifies a more detailed look into the reasons why these businesses who are willing to export are not making use of the Single Market yet.

Below is a table of all the investigated suggested obstacles. Particularly striking are the very significant differences between the two categories of respondents. The companies willing to export have a markedly different view on Single Market and perceive higher obstacles, except for the posting of workers.

SUGGESTED OBSTACLE (16 in total)	SIGNIFICANT OR VERY SIGNIFICANT (Does not but wants to)	SIGNIFICANT OR VERY SIGNIFICANT (Sells abroad)	DIFFERENCE (PERCENTAGE POINTS)
Differences in national (online) consumer rights	60.50%	30.80%	29.70
Arbitrary public procurement practices	58.30%	34.10%	24.20
Insufficient legal/financial information about potential business partners in other countries	77.70%	57.00%	20.70
Language barriers	52.60%	32.00%	20.60
Difficulties in the recognition of professional qualifications and/or meeting other requirements to access a regulated profession	56.80%	39.40%	17.40
Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts	75.20%	58.20%	17.00
Different contractual/legal practices	80.00%	63.50%	16.50
Discrimination of foreign enterprises by legislation or national authorities	61.10%	45.10%	16.00
Non-VAT related taxation issues	64.90%	52.40%	12.50
Issues related to payment recovery	67.70%	55.30%	12.40
Different national service rules	81.90%	70.40%	11.50
Inaccessibility to information on rules and requirements	79.40%	68.60%	10.80
Complex administrative procedures	87.80%	79.30%	8.50
Differing VAT procedures	66.30%	60.30%	6.00
Different national product rules	69.10%	68.40%	0.70
Problems/uncertainties in posting workers temporarily to another country	54.20%	60.20%	6.00

2.5. Comparison between online and offline sellers

Online sellers, across the board except for one suggested obstacle, see more issues with the Single Market than purely offline sellers. By far the most conspicuous difference concerns “differences in national (online) consumer rights”. The other differences are less marked.

For a full overview of the percentages for each category, we refer to the annex.

The 6 biggest differences between the two categories are to be found in the following obstacles:

SUGGESTED OBSTACLE	SIGNIFICANT OR VERY SIGNIFICANT (ONLINE SELLING)	SIGNIFICANT OR VERY SIGNIFICANT (OFFLINE SELLING)	DIFFERENCE (PERCENTAGE POINTS)
Differences in national (online) consumer rights	56.20%	27.50%	28.70
Discrimination of foreign enterprises by legislation or national authorities	53.90%	43.70%	10.20
Differing VAT procedures	65.00%	58.40%	6.60
Language barriers	40.40%	33.90%	6.50
Arbitrary public procurement practices	42.60%	36.20%	6.40
Non-VAT related taxation issues	58.50%	52.20%	6.30

3. Solutions to obstacles for businesses

While the previous chapter focuses on what is broken in the Single Market, this chapter focuses on how businesses believe the Single Market can be fixed. In general, the percentages are much higher than in the previous chapter.

3.1. General overview from all respondents

1) Most helpful solutions¹⁰

- Cutting red tape e.g. extensive reporting, information or documentation obligations (91.2%)
- Better and clearer information on a single EU online portal in different languages concerning all necessary procedures and formalities to operate in another EU country (86.5%)
- Administrative simplification for trading goods and services in other EU Member States by making available a maximum number of procedures through an online web portal (85.0%)
- Improved implementation of EU law via more cooperation between Member States and EU Commission on enforcement (83.0%)
- Take greater account of the impact of new regulations on small and mid-sized enterprises (82.5%)
- Ensure better legal protection before national and European authorities and courts in case of breaches of EU rules (81.6%)
- Creation of a single point of contact in the home country, certifying your company's eligibility to provide services in your home country, in order to facilitate proof of eligibility in other EU countries (78.2%)
- Harmonisation of national regulations and standards such as product design and licensing requirements (77.5%)
- A standardized EU-wide VAT declaration in your native language (77.5%)
- Increased action against national measures that make it more difficult for foreign companies than domestic ones to establish themselves on their local market (75.0%)

2) Helpful solutions¹¹

- A single EU-wide repository where you can enter company data and documentation required for public tender processes in order to avoid multiple requests for the same information (73.5%)
- Harmonisation of national regulations on (online) consumer protection (71.2%)
- Stop requiring A1 portable document forms for business trips abroad (70.2%)

3) Moderately helpful solutions¹²

- Easier cross-border access to liberal professions (61.5%)
- A training and cooperation mechanism for public authorities (including local ones) to ensure sufficient knowledge on applicable law (60.8%)
- Creation of an online calculator which helps to calculate the salaries of posted workers (51.2%)

¹⁰ More than 75% said the suggested solutions are very useful or useful to them

¹¹ Between 70% and 75% said the suggested solutions are very useful or useful to them

¹² Between 50% and 70% said the suggested solutions are very useful or useful to them

Ranking of proposed solutions (all respondents)



3.2. Comparison between service providers and producers

Overall, both service providers and producers have a relatively similar view on how to fix the gaps in the Single Market, with high approval levels for the 16 proposed solutions. For 10 out of the 16 suggested solutions, the service providers gave higher approval ratings. In terms of ranking of the suggestions, the outcomes are comparable.

As better access for liberal professions is more related to service providers, the difference between the two categories of respondents is self-explanatory. The higher services providers' approval rate for more *"Harmonisation of national regulations on (online) consumer protection"* is also logical, as we know that Single market for goods is more harmonised and integrated. Despite that only 44.7% of them indicated differences in national consumer rights as significant, a much higher percentage of 74.9% would be favourable towards more harmonisation in the matter.

Both categories consider that more attention should be paid to taking into account the specificities of small and mid-sized companies. For service providers, this is even the fourth most important solution to tackling obstacles.

The biggest differences between the two categories are shown below:

SUGGESTED SOLUTION	USEFUL OR VERY USEFUL (SERVICE PROVIDERS)	USEFUL OR VERY USEFUL (Producers)	DIFFERENCE (PERCENTAGE POINTS)
Easier cross-border access to liberal professions	67.70%	54.30%	13.40
Harmonisation of national regulations on (online) consumer protection	74.90%	66.60%	8.30
Harmonisation of national regulations and standards such as product design and licensing requirements	74.50%	80.80%	6.30
A training and cooperation mechanism for public authorities (including local ones) to ensure sufficient knowledge on applicable law	63.40%	57.60%	5.80
Take greater account of the impact of new regulations on small and mid-sized enterprises	85.10%	79.50%	5.60

3.3. Comparison between small and big businesses

The 5 major differences are depicted in the table below. Unsurprisingly, SMEs ranked *“Take greater account of the impact of new regulations on small and midsize enterprises”* as their second most important solution to obstacles with a rate of 86.4%. Big companies rank the solution *“Stop requiring A1 portable document forms for business trips abroad”* as their fifth most important solution, and figures suggest that they struggle much more than smaller companies with the current state of affairs with regards to the requirement to deliver this administrative document.

SUGGESTED SOLUTION	USEFUL OR VERY USEFUL (SMEs)	USEFUL OR VERY USEFUL (>250 employees)	DIFFERENCE (PERCENTAGE POINTS)
Take greater account of the impact of new regulations on small and midsize enterprises	86.40%	67.10%	19.30
Stop requiring A1 portable document forms for business trips abroad	67.20%	81.00%	13.80
A single EU-wide repository where you can enter company data and documentation required for public tender processes in order to avoid multiple requests for the same information	72.00%	79.00%	7.00
A training and cooperation mechanism for public authorities (including local ones) to ensure sufficient knowledge on applicable law	62.10%	56.00%	6.10
Harmonisation of national regulations on (online) consumer protection	72.30%	66.80%	5.50

3.4. Comparison between companies active in the Single Market and companies who are not

In line with the results in the previous section on obstacles, the companies not active yet in the Single Market but willing to have a generally more positive view in the suggested solutions. As in the previous section, they believe much more than companies already operating cross-borders that the harmonisation of national consumer laws would be beneficial.

The companies not operating cross-border also consider more than the others that the introduction of more procedures online would make their life easier. This suggested action is even sharing the 1st place with the more general need to cut red tape at a whopping 94.8%. The two are of course related.

As more than three fourths of the respondents to the survey are already exporting, the ranking of the solutions to the obstacles is almost identical to the category of exporting companies.

SUGGESTED SOLUTION	USEFUL OR VERY USEFUL (does not sell abroad but wants to)	USEFUL OR VERY USEFUL (sells abroad)	DIFFERENCE (PERCENTAGE POINTS)
A training and cooperation mechanism for public authorities (including local ones) to ensure sufficient knowledge on applicable law	75.20%	58.40%	16.80
Harmonisation of national regulations on (online) consumer protection	83.70%	68.70%	15.00
Easier cross-border access to liberal professions	70.70%	58.90%	11.80
Administrative simplification for trading goods and services in other EU Member States by making available a maximum number of procedures through an online web portal	94.80%	84.30%	10.50
Take greater account of the impact of new regulations on small and midsize enterprises	90.10%	81.90%	8.20
Creation of a single point of contact in the home country, certifying your company's eligibility to provide services in your home country, in order to facilitate proof of eligibility in other EU countries	85.40%	78.00%	7.40
Harmonisation of national regulations and standards such as product design and licensing requirements	84.70%	77.60%	7.10
Stop requiring A1 portable document forms for business trips abroad	64.90%	72.00%	7.10

3.5. Comparison between online and offline sellers

62.2% of all online sellers in the questionnaire are service providers, which could suggest that the figures could be relatively similar to the service provider category. However the percentages suggest that for instance for the harmonisation of national consumer protection regulations, online selling producers and service providers share the same views.

Online sellers see even more value than offline sellers do in the creation of an EU-wide repository for public tenders and the provision of better legal protection in case of breaches in EU law.

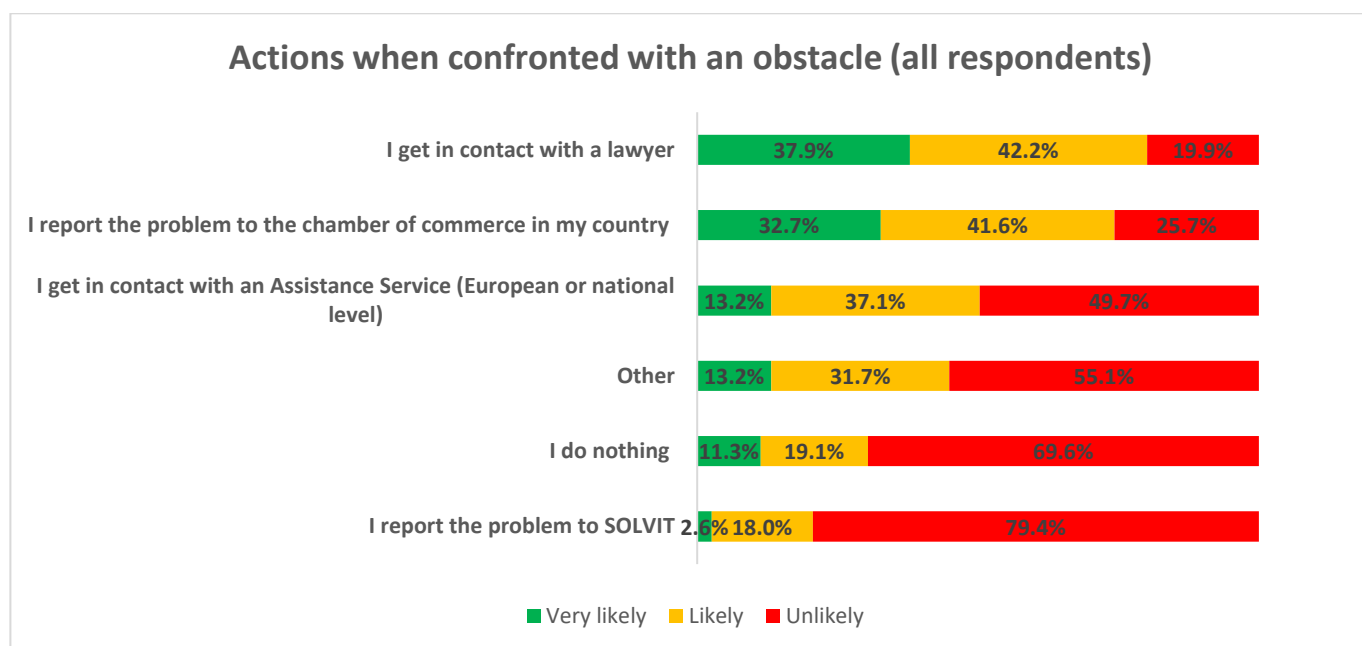
SUGGESTED SOLUTION	USEFUL OR VERY USEFUL (Online sellers)	USEFUL OR VERY USEFUL (Offline sellers)	DIFFERENCE (PERCENTAGE POINTS)
Harmonisation of national regulations on (online) consumer protection	82.50%	66.20%	16.30
A single EU-wide repository where you can enter company data and documentation required for public tender processes in order to avoid multiple requests for the same information	80.10%	70.60%	9.50
Ensure better legal protection before national and European authorities and courts in case of breaches of EU rules	87.80%	79.00%	8.80
A standardized EU-wide VAT declaration in your native language	83.60%	74.90%	8.70
Administrative simplification for trading goods and services in other EU Member States by making available a maximum number of procedures through an online web portal	90.90%	82.50%	8.40

4. Business dealings with obstacles

4.1. General overview of all respondents

Lawyers are clearly the big winners when it comes to issues with obstacles. They are the most relied upon by all respondents. Chambers of Commerce, with their traditional assistance service role, come in as a close second.

Most strikingly, doing nothing is a more popular course of action than relying upon SOLVIT, which is the least popular tool. Only 2.6% answered that it is very likely that they would call upon the service.



4.2. Overview according to company size

The results according to the size of the company are relatively similar for the suggested course of actions. SOLVIT scores, however, are inversely correlated to company size. The smaller the company, the higher the chance will be that the company will make use of the SOLVIT system.

Lawyers are still the most chosen option, independently from the size of the company. A close second, and also independently from the company size, chambers of commerce are considered a reliable reference.

Bigger companies point out that they are more likely to go to a European or national assistance service. The big companies have more enthusiastically replied that they would take other measures. However, this study did not ask for precision on this matter.

What do you do when you encounter obstacles when making use of your Single Market rights? (answers not mutually exclusive)	LIKELY OR VERY LIKELY (SMEs)	LIKELY OR VERY LIKELY (>250 employees)	LIKELY OR VERY LIKELY (1-9 employees)	LIKELY OR VERY LIKELY (10-49 employees)	LIKELY OR VERY LIKELY (50-249 employees)
I get in contact with a lawyer	80.9%	77.4%	81.0%	75.7%	85.9%
I report the problem to the chamber of commerce in my country	74.6%	73.1%	75.1%	73.0%	75.6%
I get in contact with an Assistance Service (European or national level)	49.6%	53.0%	49.5%	51.0%	48.0%
Other	41.5%	58.9%	39.3%	39.5%	46.3%
I do nothing	30.4%	30.4%	32.7%	33.1%	24.9%
I report the problem to SOLVIT	21.6%	16.4%	24.2%	23.0%	16.9%

5. Policy recommendations for the 2019-2024 term

For the European Union to thrive economically in the future, it is important that the main actors responsible for the prosperity of its workers and citizens, the businesses, are listened to. Let this exactly be the main objective of this survey: giving a voice to the business who experience the Single Market day in day out.

If anything emerges from the survey results, it is that all businesses, big or small, service providers or producers, overwhelmingly agree on one point: more Single Market and frictionless trade is a condition *sine qua non* for a more prosperous Europe.

What follows are EUROCHAMBRES' main policy recommendations for the 2019-2024 legislative term, which we draw from the survey results.

1. We are in it together : all European institutions need to take ownership of the Single Market

Different studies, and this report is only an addition to the evidence already available, show the benefits linked to a better integrated Single Market. However, the process has stalled in the recent years and grandstanding declarations in favour of the Single Market are only counterproductive if they are not complemented with political support or constructive participation in the law-making process.

While the power of initiative lies with the European Commission, **all institutions (ie European Parliament and Council of the European Union as well) need to do more than only paying lip-service to the improvement of the Single Market.** As underlined in the Commission's November 2018 Communication the consensus at the highest political level is not matched in important legislative files by a *"political willingness to adopt the concrete measures that the Commission proposes..."*.¹³

2. All Member States should respect the current rules: rule of law

The implementation, application and enforcement of the existing rules should be considered as a key priority and take centre-stage at EU level in order to foster trust among business in the different Member States. 83% of the surveyed enterprises ask for an improved implementation of EU law, among others via more cooperation between Member States and EU Commission on enforcement. 60.8% would support a training and cooperation mechanism for public authorities.

A proper use of infringement proceedings can only contribute to a greater adherence of all Member States to the Single Market rulebook. As per December 2018, the Single Market Scoreboard¹⁴ indicated that there were 692 cases pending, with an average of 25 cases per Member State. However, many problems are not addressed by infringement proceedings, sometimes also for political reasons. In this respect, a better use of the EU pilot procedure should be considered as it can avoid the use of the time-consuming infringement procedure.

Companies also need **legal certainty** for a good business environment. 81.6% of the surveyed companies ask for better legal protection before national and European authorities and courts in case of breaches of EU rules. **Legal protection must be improved** in case of violations of EU law. Administrative bodies and courts must be trained in EU law and independent from protectionist policy developments. Administrative and court proceedings must be fast and (cost-)efficient.

All enterprises but particularly investors need legal protection. There must be improvements of investment protection under EU law. However, national legal protection is not effective everywhere, as proven by international rule of law indices and even reports from the EU Commission (duration of proceedings, arbitrary official decisions, corruption, etc.). Some national administrations and sometimes

¹³ <https://ec.europa.eu/transparency/regdoc/rep/1/2018/EN/COM-2018-772-F1-EN-MAIN-PART-1.PDF>

¹⁴ https://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/infringements/index_en.htm

even courts are not sufficiently independent, with discrimination and unfair treatment increasing rather than decreasing in the light of protectionist tendencies. Investors from third countries, on the other hand, can avail themselves of investment protection agreements (provided these have been concluded) and are therefore in a better position than EU investors.

A functioning constitutional state is the basis for a functioning economy and indispensable for a positive business and investment climate in the Single Market. Against the background of increasingly protectionist and nationalist tendencies (e.g. introduction of taxes that mainly affect foreign investors, high fines for marginal infringements with simultaneous omission of suspensive effect when appeals are lodged, promotion of national products) and a legal protection system that functions only to a limited extent in some EU Member States, the Single Market itself is put in question. What is needed is an **accelerated procedure and interim measures to deal with infringements** in combination with more transparency of complaints with regards to the Single Market.

3. The focus should remain on the reduction of complexity in cross-border trade through better information online and digitalisation

Particularly SMEs need better information concerning all necessary procedures and formalities to operate in another EU country (86.5% of all companies surveyed). To a certain extent, the **Single Digital Gateway** (SDG) will be delivering on the businesses' request to have more procedures available online as well as more structured information on the requirements to fulfill when trading cross-borders. However the SDG is yet to be implemented: the Commission and the Member States need to engage to achieve a fast improvement of the Your Europe Portal. On the long term the list of administrative procedures covered by the SDG should be extended: 85% of the companies surveyed request administrative simplification for trading goods and services in other EU Member States by making available a maximum number of procedures through an online web portal.

Digitalisation should be used to make it easier for companies to use the Single Market. **We urge the lawmakers to already think ahead of how it can be further built upon, taking into consideration pledges made in the Tallinn Declaration on eGovernance¹⁵.** One indication is the “digital-by-default” principle which should provide businesses with the option to interact digitally with public administrations, if they chose to. The Commission should further pursue the creation of harmonised and multilingual forms, and follow-up on some useful ideas contained in the e-card proposal. Any forms resulting from this could be integrated in the “Points of Single Contact” and the future “Single Digital Gateway”. Digital accessibility goes hand in hand with the first principle. In order to reduce the administrative complexity and burdens for companies, law-makers should always keep in mind the once-only principle as well. In this sense, we urge administrations to harness digital technologies to the highest degree possible in order to reduce bureaucracy for companies.

The role and the resources of the **Enterprise Europe Network should be ramped up** in order to provide more individual advice on the often complex EU and national rules for doing business in the Single Market. Online information and the Single Digital Gateway are welcome, but SMEs need practical help for their specific business cases.

4. If we had only one wish, let it be this one: move ahead in the Single Market for Services

Productivity growth in the services area is lagging behind vis-à-vis the United States, while the biggest part of our European GDP is generated by it. Because of a lack of action in this area, there is no doubt that the past 10 years have been nothing less than a lost decade. Most of all, it is SMEs who are on the losing end of the lack of reforms and general inactivity. The survey results show that **service providers**

¹⁵ http://ec.europa.eu/newsroom/document.cfm?doc_id=47559

overwhelmingly perceive higher barriers to trade than producers. This cannot come as a surprise to anyone.

Service providers need easy access to information and complete administrative procedures online. While both these needs should have been insured by the **Points of Single Contacts**, brought to life through the Services Directive, all Member States have been sent letters of formal notice in June 2019 in order to comply with their obligations. EUROCHAMBRES welcomes the Commission's initiative to activate such infringement proceedings, but above all it shows the lack of commitment in the services area. However, business also supports the **creation of a single point of contact in the home country**, certifying the company's eligibility to provide services in their home country, in order to facilitate proof of eligibility in other EU countries.

Because infringement proceedings usually take several years to be concluded, **an approach whereby new national legislation is vetted on its compliance with European law in an ex ante fashion is highly desirable.** Usually as well, small companies have already adapted their offerings to non-EU compliant rules before an infringement proceeding is launched. In other cases they decide to forego the opportunity to export to another EU market, in effect sustaining the borders between countries. The Technical Regulation Information System (TRIS) for goods and Information Society Services allows market participants to be informed about national legislative changes before enactment. A similar system should be put in place for services.

5. National champions are great but let's start with a better suited legal framework to the needs of SMEs

As can be expected, a **great majority of businesses and particularly SMEs are looking favourably to measures aimed at cutting red tape e.g. extensive reporting, information or documentation obligations (91,2%) and taking better into account their needs in the law-making process (82,5%).** The inclusion of an SME test in the Commission Impact Assessments is as such a laudable obligation, but the Regulatory Scrutiny Board should ensure that these tests are executed with full respect of the own internal Commission guidelines.

Our last SME benchmark test from 2017¹⁶ pointed out that despite the strong emphasis by the Juncker Commission on better regulation and on the economic importance of SMEs, less than one-third of the analysed Impact Assessments performed the SME test to a satisfactory level.

We urge the lawmakers, especially with regards to upcoming legislation with regards to e-commerce to keep in mind that small online providers can be heavily affected by even small legislative changes.

6. Because the Single Market is not yet what it should be, let's boost the capacity of problem solving services like SOLVIT

The case for SOLVIT, the service that allows companies to lodge a complaint when a foreign government misapplies European law, is of great added value. At least, it is in theory and for the ones who know it. The figures of the report demonstrate that the tool, independently from its effectiveness, is the least resorted to tool when a business is confronted with an infringement of its Single Market rights.

Not only should the centres be better resourced, a crucial condition for their success is the appropriate creation of awareness. Today, chambers already play a role in assisting companies to notify their problems with SOLVIT, thereby inflating the number of cases presented to SOLVIT.

¹⁶ <http://www.eurochambres.eu/content/default.asp?PageID=1&DocID=7733>

More can also be achieved with the data collected by the SOLVIT centres. Unresolved but well-founded cases could be the perfect starting point for the Commission to investigate specific cases more into depth and if needed, launch infringement proceedings.

7. How to make it unnecessarily difficult for businesses sending employees on business trips: the A1 Portable Document

The bigger a company becomes, the more it will have to send employees abroad for business trips and the more A1 documents will have to be filed. Bigger companies, which are more likely to operate abroad, struggle much more with this bureaucratic obligation. **This issue, was by far the most commented upon by companies from all sizes.** The current situation is clearly not sustainable and requires the law-makers to come up with a solution in the negotiations in the dossier on the coordination of social security systems.

8. Harmonisation can be beneficial, but only if done correctly

In principle, **harmonisation can be a great driver for the creation of a level-playing field.** 77.5% of businesses surveyed would consider a harmonisation of national regulations and standards such as product design and licensing requirements as useful.

There have however been several initiatives in the previous term, where the added value for businesses was rather limited. An unfortunate example is the geoblocking Regulation which will make companies even more confused about different national laws they will be confronted with in case of a dispute with a consumer. The revision of the Consumer Protection laws (the so-called Omnibus Directive) will not resolve the legal fragmentation between countries. These two examples, presented as successes for the consumers, will not lead to a more integrated Single Market, more choice for consumers or opportunities for businesses. We therefore call upon the legislators to commit to essential quality principles. The principle of mutual recognition, combined with targeted harmonisation should be used to overcome regulatory barriers created by minimum harmonisation or absence of EU rules.

We are in favour of more maximum harmonisation, on the condition that proposals are balanced for all players involved and do not create additional red tape. We therefore urge the Commission to uphold the principles that proved to be effective and future-proof, such as the country of origin principle and Internal Market clause embedded in the e-commerce Directive.

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This paper has been produced by **EUROCHAMBRES**, the Brussels-based Association of European Chambers of Commerce and Industry.

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EUROCHAMBRES is the sole European body that serves the interests of every sector and every size of European business and the only one so close to business. EUROCHAMBRES represents nearly 20 million enterprises in Europe – 98% of which are SMEs – through members in 44 countries and a European network of 1700 regional and local Chambers.

For more information on EUROCHAMBRES please visit: <http://www.eurochambres.eu>

ANNEX

Dataset details

Total sample:	1107 businesses
Geographical coverage:	27 EU Member States (excl. UK)
Breakdown (type):	507 producers (45.8%) and 600 Service Providers (54.2%)
Breakdown (employees):	1 to 9: 346 (31.3%) 10 to 49: 266 (24.0%) 50 to 249: 257 (23.2%) 250 or more: 238 (21.5%)
EU single market activity:	My company does business in one or more other EU countries: 854 (77.1%) My company does not do business in any other EU country, but would like to: 99 (8.9%) My company does not do business in any other EU country and has no plans to do so: 154 (13.9%)
My business sells products and/or services online:	Yes: 336 (30.4%) No: 771 (69.6%)
The survey ran from 2 September until 2 October 2019 and all answers were given on an anonymous basis.	

Ranking of 16 suggested obstacles in the Single Market

a. Rating of obstacles in function of type of activity

SUGGESTED OBSTACLE	SIGNIFICANT OR VERY SIGNIFICANT (ALL RESPONDENTS)	SIGNIFICANT OR VERY SIGNIFICANT (SERVICE PROVIDERS)	SIGNIFICANT OR VERY SIGNIFICANT (PRODUCERS)
1. Complex administrative procedures	<u>79.5%</u>	<u>80.6% (2)</u> ¹⁷	<u>78.0% (1)</u>
2. Different national service rules	<u>71.6%</u>	<u>81.2% (1)</u> ¹⁸	59.9% (6)
3. Inaccessibility to information on rules and requirements	<u>69.1%</u>	<u>70.8% (3)</u>	<u>67.1% (3)</u>
4. Different national product rules	<u>67.0%</u>	<u>64.8% (5)</u>	<u>69.4% (2)</u>
5. Different contractual/legal practices	<u>65.6%</u>	<u>67.6% (4)</u>	<u>63.3% (4)</u>
6. Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts	60.5%	63.3% (6)	57.1% (9)
7. Differing VAT procedures	60.4%	64.3% (7)	55.9% (10)
8. Insufficient legal/financial information about potential business partners in other countries	58.9%	59.7% (8)	57.9% (7)
9. Problems/uncertainties in posting workers temporarily to another country	58.1%	56.7% (11)	<u>60.0% (5)</u>
10. Issues related to payment recovery	57.4%	57.2% (10)	57.7% (8)
11. Non-VAT related taxation issues	54.2%	59.0% (9)	48.1% (11)
12. Discrimination of foreign enterprises by legislation or national authorities	46.8%	51.3% (12)	41.4% (12)
13. Difficulties in the recognition of professional qualifications and/or meeting other requirements to access a regulated profession	42.2%	44.7% (15)	30.2% (15)
14. Arbitrary public procurement practices	38.2%	49.3% (13)	33.9% (13)
15. Differences in national (online) consumer rights	36.3%	44.7% (14)	26.2% (16)
16. Language barriers	35.8%	38.1% (16)	33.2% (14)

¹⁷ The figures in brackets indicate the ranking of a specific obstacle for a category of respondents.

¹⁸ The five most significant obstacles for each category are underlined

b. Rating of obstacles in function of amount of employees of the businesses

SUGGESTED OBSTACLE	SIGNIFICANT OR VERY SIGNIFICANT (ALL RESPONDENTS)	SIGNIFICANT OR VERY SIGNIFICANT (SMEs; <250 empl)	SIGNIFICANT OR VERY SIGNIFICANT (>250 empl)	SIGNIFICANT OR VERY SIGNIFICANT (1-9 empl)	SIGNIFICANT OR VERY SIGNIFICANT (10-49 empl)	SIGNIFICANT OR VERY SIGNIFICANT (50-249 empl)
1. Complex administrative procedures	<u>79.5%</u>	<u>78.0% (1)</u>	<u>84.9% (1)</u>	<u>80.5% (1)</u>	<u>77.6% (1)</u>	<u>75.0% (1)</u>
2. Different national service rules	<u>71.6%</u>	<u>70.4% (2)</u>	<u>75.5% (2)</u>	66.5% (6)	<u>67.4% (2)</u>	<u>63.9% (5)</u>
3. Inaccessibility to information on rules and requirements	<u>69.1%</u>	<u>69.7% (3)</u>	<u>66.8% (5)</u>	<u>75.4% (3)</u>	<u>67.0% (3)</u>	<u>64.9% (4)</u>
4. Different national product rules	<u>67.0%</u>	<u>66.0% (5)</u>	<u>70.4% (4)</u>	<u>77.7% (2)</u>	<u>66.2% (4)</u>	<u>65.0% (3)</u>
5. Different contractual/legal practices	<u>65.6%</u>	<u>66.4% (4)</u>	62.7% (6)	<u>70.9% (4)</u>	61.0% (8)	<u>65.8% (2)</u>
6. Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts	60.5%	62.4% (7)	53.0% (9)	<u>67.2% (5)</u>	61.5% (7)	57.1% (10)
7. Differing VAT procedures	60.4%	59.7% (9)	63.0% (7)	61.7% (8)	57.5% (9)	59.4% (8)
8. Insufficient legal/financial information about potential business partners in other countries	58.9%	63.6% (6)	41.4% (13)	65.1% (7)	63.7% (6)	61.2% (6)
9. Problems/uncertainties in posting workers temporarily to	58.1%	53.4% (11)	<u>75.3% (3)</u>	53.1% (11)	50.0% (10)	57.4% (9)

another country						
10. Issues related to payment recovery	57.4%	61.3% (8)	42.7% (10)	59.2% (10)	<u>64.3% (5)</u>	61.1% (7)
11. Non-VAT related taxation issues	54.2%	54.0% (10)	54.9% (8)	60.7% (9)	49.4% (11)	49.4% (11)
12. Discrimination of foreign enterprises by legislation or national authorities	46.8%	48.2% (12)	41.9% (11)	52.3% (13)	46.5% (12)	44.2% (12)
13. Arbitrary public procurement practices	38.2%	40.8% (14)	28.0% (15)	46.3% (15)	35.4% (15)	39.0% (13)
14. Difficulties in the recognition of professional qualifications and/or meeting other requirements to access a regulated profession	42.2%	42.4% (13)	41.3% (12)	52.9% (12)	34.8% (14)	36.4% (14)
15. Differences in national (online) consumer rights	36.3%	39.5% (15)	23.7% (16)	50.1% (14)	31.9% (16)	33.5% (15)
16. Language barriers	35.8%	36.5% (16)	33.5% (14)	38.6% (16)	37.6% (13)	32.4% (16)

c. Rating of obstacles in function of cross-border activities

SUGGESTED OBSTACLE (16 in total)	SIGNIFICANT OR VERY SIGNIFICANT (ALL RESPONDENTS)	SIGNIFICANT OR VERY SIGNIFICANT (Sells abroad)	SIGNIFICANT OR VERY SIGNIFICANT (Does not sell abroad and no intentions to)	SIGNIFICANT OR VERY SIGNIFICANT (Does not but wants to)
1. Complex administrative procedures	<u>79.5%</u>	<u>79.3% (1)</u>	<u>74.8% (1)</u>	<u>87.8% (1)</u>
2. Different national service rules	<u>71.6%</u>	<u>70.4% (2)</u>	<u>70.8% (2)</u>	<u>81.9% (2)</u>
3. Inaccessibility to information on rules and requirements	<u>69.1%</u>	<u>68.6% (3)</u>	<u>65.1% (4)</u>	<u>79.4% (4)</u>
4. Different national product rules	<u>67.0%</u>	<u>68.4% (5)</u>	57.2% (8)	69.1% (7)

5. Different contractual/legal practices	<u>65.6%</u>	<u>63.5% (4)</u>	<u>67.8% (3)</u>	<u>80.0% (3)</u>
6. Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts	60.5%	58.2% (8)	<u>64.1% (5)</u>	75.2% (6)
7. Differing VAT procedures	60.4%	60.3% (6)	57.0% (9)	66.3% (9)
8. Insufficient legal/financial information about potential business partners in other countries	58.9%	57.0% (9)	57.4% (7)	<u>77.7% (5)</u>
9. Problems/uncertainties in posting workers temporarily to another country	58.1%	60.2% (7)	49.3% (12)	54.2% (15)
10. Issues related to payment recovery	57.4%	55.3% (10)	62.8% (6)	67.7% (8)
11. Non-VAT related taxation issues	54.2%	52.4% (11)	56.8% (10)	64.9% (10)
12. Discrimination of foreign enterprises by legislation or national authorities	46.8%	45.1% (12)	47.5% (15)	61.1% (11)
13. Arbitrary public procurement practices	38.2%	34.1% (14)	48.2% (14)	58.3% (13)
14. Difficulties in the recognition of professional qualifications and/or meeting other requirements to access a regulated profession	42.2%	39.4% (13)	48.6% (13)	56.8% (14)
15. Differences in national (online) consumer rights	36.3%	30.8% (16)	52.1% (11)	60.5% (12)
16. Language barriers	35.8%	32.0% (15)	46.5% (16)	52.6% (16)

d. Rating of obstacles in function of online selling activity

SUGGESTED OBSTACLE (16 in total)	SIGNIFICANT OR VERY SIGNIFICANT (ALL RESPONDENTS)	SIGNIFICANT OR VERY SIGNIFICANT (Online selling)	SIGNIFICANT OR VERY SIGNIFICANT (Only offline selling)
1. Complex administrative procedures	79.5%	<u>82.4% (1)</u>	<u>78.2% (1)</u>
2. Different national service rules	71.6%	<u>74.2% (2)</u>	<u>70.3% (2)</u>
3. Inaccessibility to information on rules and requirements	69.1%	<u>71.6% (3)</u>	<u>68.0% (3)</u>
4. Different national product rules	67.0%	<u>71.0% (4)</u>	<u>65.2% (4)</u>
5. Different contractual/legal practices	65.6%	<u>67.2% (5)</u>	<u>64.9% (5)</u>
6. Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts	60.5%	61.1% (8)	60.2% (6)
7. Differing VAT procedures	60.4%	65.0% (6)	58.4% (8)
8. Insufficient legal/financial information about potential business partners in other countries	58.9%	62.4% (7)	57.3% (9)
9. Problems/uncertainties in posting workers temporarily to another country	58.1%	56.3% (11)	59.0% (7)
10. Issues related to payment recovery	57.4%	60.8% (9)	56.0% (10)
11. Non-VAT related taxation issues	54.2%	58.5% (10)	52.2% (11)
12. Discrimination of foreign enterprises by legislation or national authorities	46.8%	53.9% (13)	43.7% (12)
13. Arbitrary public procurement practices	38.2%	42.6% (15)	36.2% (14)
14. Difficulties in the recognition of professional qualifications and/or meeting other requirements to access a regulated profession	42.2%	46.2% (14)	40.4% (13)
15. Differences in national (online) consumer rights	36.3%	56.2% (12)	27.5% (16)
16. Language barriers	35.8%	40.4% (16)	33.9% (15)

Ranking of 16 suggested solutions to obstacles in the Single Market

a. Rating of solutions to obstacles in function of type of activity

SUGGESTED SOLUTION (16 in total)	USEFUL OR VERY USEFUL (ALL RESPONDENTS)	USEFUL OR VERY USEFUL (SERVICE PROVIDERS)	USEFUL OR VERY USEFUL (Producers)
1. Cutting red tape e.g. extensive reporting, information or documentation obligations	<u>91.2%</u>	<u>89.9% (1)¹⁹</u>	<u>92.7% (1)</u>
2. Better and clearer information on a single EU online portal in different languages concerning all necessary procedures and formalities to operate in another EU country	<u>86.5%</u>	<u>85.7% (2)²⁰</u>	<u>87.3% (2)</u>
3. Administrative simplification for trading goods and services in other EU Member States by making available a maximum number of procedures through an online web portal	<u>85.0%</u>	<u>85.4% (3)</u>	<u>84.5% (4)</u>
4. Improved implementation of EU law via more cooperation between Member States and EU Commission on enforcement	<u>83.0%</u>	<u>81.4% (5)</u>	<u>85.0% (3)</u>
5. Take greater account of the impact of new regulations on small and mid-sized enterprises	<u>82.5%</u>	<u>85.1% (4)</u>	79.5% (7)
6. Ensure better legal protection before national and European authorities and courts in case of breaches of EU rules	81.6%	81.2% (6)	<u>82.2% (5)</u>
7. Creation of a single point of contact in the home country, certifying your company's eligibility to provide services in your home country, in order to facilitate proof of	78.2%	78.5% (7)	77.9% (8)

¹⁹ The figures in brackets indicate the ranking of a specific solution to an obstacle for a category of respondents.

²⁰ The five most useful solutions to obstacles for each category are underlined

eligibility in other EU countries			
8. Harmonisation of national regulations and standards such as product design and licensing requirements	77.5%	74.5% (11)	80.8% (6)
9. A standardized EU-wide VAT declaration in your native language	77.5%	77.1% (8)	77.9% (9)
10. Increased action against national measures that make it more difficult for foreign companies than domestic ones to establish themselves on their local market	75.0%	75.2% (9)	74.9% (10)
11. A single EU-wide repository where you can enter company data and documentation required for public tender processes in order to avoid multiple requests for the same information	73.5%	74.2% (12)	72.7% (11)
12. Harmonisation of national regulations on (online) consumer protection	71,2%	74.9% (10)	66.6% (13)
13. Stop requiring A1 portable document forms for business trips abroad	70.2%	68.3% 13)	72.6% (12)
14. Easier cross-border access to liberal professions	61.5%	67.7% (14)	54.3% (15)
15. A training and cooperation mechanism for public authorities (including local ones) to ensure sufficient knowledge on applicable law	60.8%	63.4% (15)	57.6% (14)
16. Creation of an online calculator which helps to calculate the salaries of posted workers	51.2%	52.4% (16)	49.8% (16)

b. Rating of solutions to obstacles in function of amount of employees

SUGGESTED SOLUTION	USEFUL OR VERY USEFUL (ALL RESPONDENTS)	USEFUL OR VERY USEFUL (SMEs; <250 empl)	USEFUL OR VERY USEFUL (>250 empl)	USEFUL OR VERY USEFUL (1-9 empl)	USEFUL OR VERY USEFUL (10-49 empl)	USEFUL OR VERY USEFUL (50-249 empl)
1. Cutting red tape e.g. extensive reporting, information or documentation obligations	<u>91.2%</u>	<u>90.6%</u> (1)	<u>93.4%</u> (1)	<u>89.9%</u> (1)	<u>89.8%</u> (1)	<u>92.3%</u> (1)
2. Better and clearer information on a single EU online portal in different languages concerning all necessary procedures and formalities to operate in another EU country	<u>86.5%</u>	<u>86.3%</u> (3)	<u>86.8%</u> (2)	<u>87.2%</u> (3)	<u>85.4%</u> (4)	<u>86.2%</u> (2)
3. Administrative simplification for trading goods and services in other EU Member States by making available a maximum number of procedures through an online web portal	<u>85.0%</u>	<u>85.9%</u> (4)	<u>81.7%</u> (4)	<u>85.8%</u> (4)	<u>86.1%</u> (3)	<u>85.8%</u> (3)
4. Improved implementation of EU law via more cooperation between Member States and EU Commission on enforcement	<u>83.0%</u>	<u>83.3%</u> (5)	<u>82.4%</u> (3)	81.4% (6)	<u>84.7%</u> (5)	<u>84.2%</u> (4)
5. Take greater account of the impact of new regulations on small and mid-sized enterprises	<u>82.5%</u>	<u>86.4%</u> (2)	67.1% (12)	<u>88.1%</u> (2)	<u>87.7%</u> (2)	<u>83.2%</u> (5)

6. Ensure better legal protection before national and European authorities and courts in case of breaches of EU rules	81.6%	82.5% (6)	78.0% (9)	<u>84.6%</u> (5)	81.9% (6)	80.5% (6)
7. Creation of a single point of contact in the home country, certifying your company's eligibility to provide services in your home country, in order to facilitate proof of eligibility in other EU countries	78.2%	77.9% (7)	79.3% (7)	79.4% (7)	76.6% (8)	77.3% (8)
8. Harmonisation of national regulations and standards such as product design and licensing requirements	77.5%	77.5% (8)	77.1% (11)	77.7% (8)	76.1% (9)	78.8% (7)
9. A standardized EU-wide VAT declaration in your native language	77.5%	76.7% (9)	80.6% (6)	75.5% (10)	77.6% (7)	77.2% (9)
10. Increased action against national measures that make it more difficult for foreign companies than domestic ones to establish themselves on their local market	75.0%	74.4% (10)	77.6% (10)	76.1% (9)	75.1% (10)	71.4% (11)
11. A single EU-wide repository where you can enter company data and documentation required for public tender processes in order to avoid multiple requests for the same information	73.5%	72.0% (12)	79.0% (8)	73.2% (12)	70.6% (12)	71.7% (10)

12. Harmonisation of national regulations on (online) consumer protection	71.2%	72.3% (11)	66.8% (13)	75.4% (11)	74.7% (11)	65.6% (13)
13. Stop requiring A1 portable document forms for business trips abroad	70.2%	67.2% (13)	<u>81.0%</u> (5)	66.0% (15)	65.1% (13)	71.1% (12)
14. Easier cross-border access to liberal professions	61.5%	60.9% (15)	63.8% (14)	68.5% (13)	59.7% (15)	52.1% (16)
15. A training and cooperation mechanism for public authorities (including local ones) to ensure sufficient knowledge on applicable law	60.8%	62.1% (14)	56.0% (15)	67.2% (14)	61.2% (14)	56.0% (14)
16. Creation of an online calculator which helps to calculate the salaries of posted workers	51.2%	51.3% (16)	50.6% (16)	53.5% (16)	47.4% (16)	52.5% (15)

c. Rating of solutions to obstacles in function of cross-border activity

SUGGESTED SOLUTION	USEFUL OR VERY USEFUL (ALL RESPONDENTS)	USEFUL OR VERY USEFUL (sells abroad)	USEFUL OR VERY USEFUL (does not sell abroad and no intentions)	USEFUL OR VERY USEFUL (does not sell abroad but wants to)
1. Cutting red tape e.g. extensive reporting, information or documentation obligations	<u>91.2%</u>	<u>91.0%</u> (1)	<u>90.2%</u> (1)	<u>94.8%</u> (1)
2. Better and clearer information on a single EU online portal in different languages concerning all necessary procedures and formalities to operate in another EU country	<u>86.5%</u>	<u>87.0%</u> (2)	<u>79.0%</u> (4)	<u>92.4%</u> (3)

3. Administrative simplification for trading goods and services in other EU Member States by making available a maximum number of procedures through an online web portal	<u>85.0%</u>	<u>84.3% (3)</u>	<u>82.2% (2)</u>	<u>94.8% (1)</u>
4. Improved implementation of EU law via more cooperation between Member States and EU Commission on enforcement	<u>83.0%</u>	<u>83.6% (4)</u>	<u>77.7% (5)</u>	86.2% (6)
5. Take greater account of the impact of new regulations on small and mid-sized enterprises	<u>82.5%</u>	<u>81.9% (5)</u>	<u>81.3% (3)</u>	<u>90.1% (4)</u>
6. Ensure better legal protection before national and European authorities and courts in case of breaches of EU rules	81.6%	<u>81.9% (5)</u>	76.6% (7)	<u>87.2% (5)</u>
7. Creation of a single point of contact in the home country, certifying your company's eligibility to provide services in your home country, in order to facilitate proof of eligibility in other EU countries	78.2%	78.0% (7)	74.5% (9)	85.4% (7)
8. Harmonisation of national regulations and standards such as product design and licensing requirements	77.5%	77.6% (8)	71.9% (10)	84.7% (8)
9. A standardized EU-wide VAT declaration in your native language	77.5%	77.5% (9)	75.7% (8)	80.4% (10)
10. Increased action against national measures that make it more difficult for foreign companies than domestic ones to establish themselves on their local market	75.0%	76.0% (10)	66.7% (13)	79.4% (11)
11. A single EU-wide repository where you can enter company data and documentation required for public tender processes in order to	73.5%	73.7% (11)	69.8% (12)	77.3% (12)

avoid multiple requests for the same information				
12. Harmonisation of national regulations on (online) consumer protection	71.2%	68.7% (13)	77.0% (6)	83.7% (9)
13. Stop requiring A1 portable document forms for business trips abroad	70.2%	72.0% (12)	63.1% (15)	64.9% (15)
14. Easier cross-border access to liberal professions	61.5%	58.9% (14)	70.5% (11)	70.7% (14)
15. A training and cooperation mechanism for public authorities (including local ones) to ensure sufficient knowledge on applicable law	60.8%	58.4% (15)	65.0% (14)	75.2% (13)
16. Creation of an online calculator which helps to calculate the salaries of posted workers	51.2%	50.8% (16)	50.4% (16)	56.4% (16)

d. Rating of solutions to obstacles in function of online selling activity

SUGGESTED SOLUTION	USEFUL OR VERY USEFUL (ALL RESPONDENTS)	USEFUL OR VERY USEFUL (Online sellers)	USEFUL OR VERY USEFUL (Offline sellers)
1. Cutting red tape e.g. extensive reporting, information or documentation obligations	<u>91.2%</u>	<u>92.1% (1)</u>	<u>90.8% (1)</u>
2. Better and clearer information on a single EU online portal in different languages concerning all necessary procedures and formalities to operate in another EU country	<u>86.5%</u>	<u>88.9% (3)</u>	<u>85.4% (2)</u>
3. Administrative simplification for trading goods and services in other EU Member States by making available a maximum number of procedures through an online web portal	<u>85.0%</u>	<u>90.9% (2)</u>	<u>82.5% (3)</u>
4. Improved implementation of EU law via more cooperation between Member States and EU	<u>83.0%</u>	<u>86.1% (5)</u>	<u>81.8% (5)</u>

Commission on enforcement			
5. Take greater account of the impact of new regulations on small and mid-sized enterprises	<u>82.5%</u>	82.6% (7)	<u>82.5%</u> (4)
6. Ensure better legal protection before national and European authorities and courts in case of breaches of EU rules	81.6%	<u>87.8%</u> (4)	79.0% (6)
7. Creation of a single point of contact in the home country, certifying your company's eligibility to provide services in your home country, in order to facilitate proof of eligibility in other EU countries	78.2%	80.0% (10)	77.4% (7)
8. Harmonisation of national regulations and standards such as product design and licensing requirements	77.5%	79.5% (11)	76.5% (8)
9. A standardized EU-wide VAT declaration in your native language	77.5%	83.6% (6)	74.9% (9)
10. Increased action against national measures that make it more difficult for foreign companies than domestic ones to establish themselves on their local market	75.0%	76.4% (12)	74.5% (10)
11. A single EU-wide repository where you can enter company data and documentation required for public tender processes in order to avoid multiple requests for the same information	73.5%	80.1% (9)	70.6% (12)
12. Harmonisation of national regulations on (online) consumer protection	71.2%	82.5% (8)	66.2% (13)
13. Stop requiring A1 portable document forms for business trips abroad	70.2%	66.5% (13)	71.8% (11)
14. Easier cross-border access to liberal professions	61.5%	64.1% (14)	60.4% (14)
15. A training and cooperation mechanism for public authorities (including local	60.8%	63.0% (15)	59.8% (15)

ones) to ensure sufficient knowledge on applicable law			
16. Creation of an online calculator which helps to calculate the salaries of posted workers	51.2%	50.3% (16)	51.6% (16)

Actions in case of obstacles: What do businesses do?

a. Actions in function of type of activity of the business

What do you do when you encounter obstacles when making use of your Single Market rights? (answers not mutually exclusive)	LIKELY OR VERY LIKELY (ALL RESPONDENTS)	LIKELY OR VERY LIKELY (SERVICE PROVIDERS)	LIKELY OR VERY LIKELY (Producers)
1. I get in contact with a lawyer	80.1%	80.8%	79.2%
2. I report the problem to the chamber of commerce in my country	74.3%	73.6%	75.1%
3. I get in contact with an Assistance Service (European or national level)	50.3%	50.1%	50.5%
4. Other	44.9%	41.6%	49.0%
5. I do nothing	30.4%	31.8%	28.8%
6. I report the problem to SOLVIT	20.6%	26.0%	14.1%

b. Actions in function of size of the business

What do you do when you encounter obstacles when making use of your Single Market rights? (answers not mutually exclusive)	LIKELY OR VERY LIKELY (ALL RESPONDENTS)	LIKELY OR VERY LIKELY (SMEs; <250 empl)	LIKELY OR VERY LIKELY (>250 empl)	LIKELY OR VERY LIKELY (1-9 empl)	LIKELY OR VERY LIKELY (10-49 empl)	LIKELY OR VERY LIKELY (50-249 empl)
1. I get in contact with a lawyer	80.1%	80.9%	77.4%	81.0%	75.7%	85.9%
2. I report the problem to the chamber of commerce in my country	74.3%	74.6%	73.1%	75.1%	73.0%	75.6%
3. I get in contact with an Assistance Service (European or national level)	50.3%	49.6%	53.0%	49.5%	51.0%	48.0%
4. Other	44.9%	41.5%	58.9%	39.3%	39.5%	46.3%

5. I do nothing	30.4%	30.4%	30.4%	32.7%	33.1%	24.9%
6. I report the problem to SOLVIT	20.6%	21.6%	16.4%	24.2%	23.0%	16.9%



Doing business in the EU: obstacles and solutions

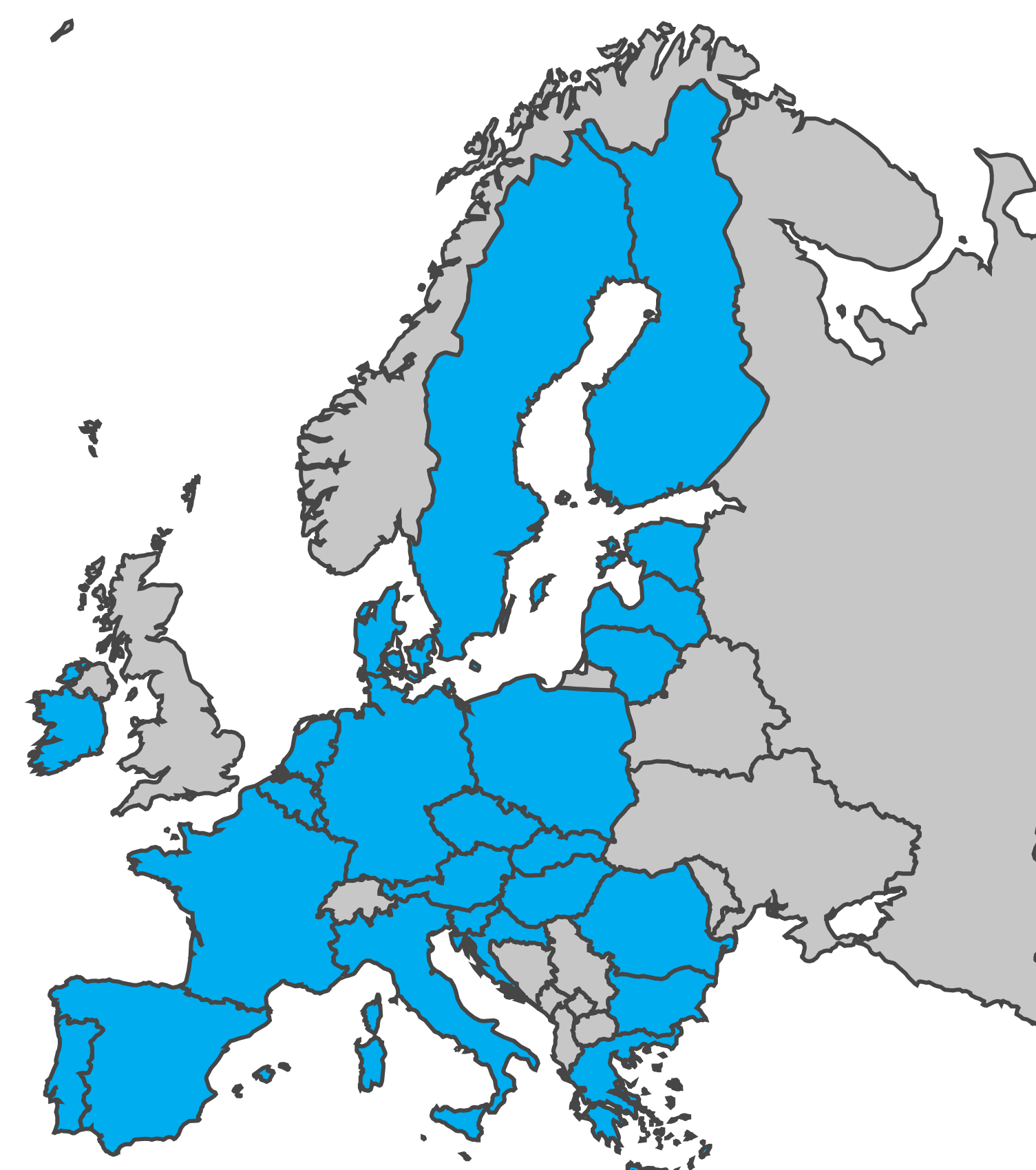
In the October 2018 European Parliament of Enterprises, 69,3% of entrepreneurs stated that the **EU SINGLE MARKET** was **NOT SUFFICIENTLY INTEGRATED**.

In October 2019:

1.107 entrepreneurs

from **27** member states

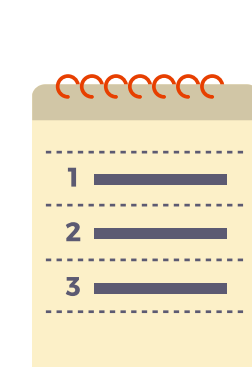
explained the obstacles and identified the solutions



Main **OBSTACLES**



Possible **SOLUTIONS**



Complex administrative procedures 79.5%



Cutting red tape on excessive reporting and information obligations 91.2%



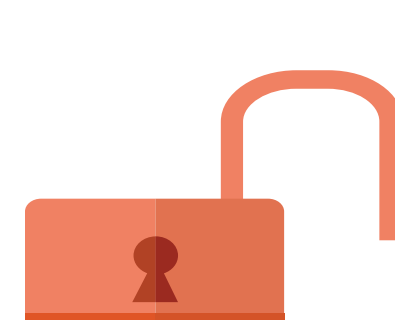
Different national service rules 71.6%



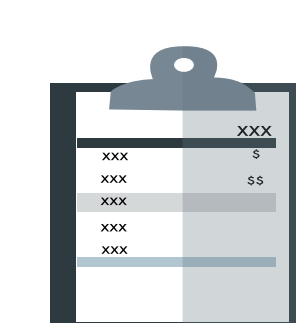
Online portal with better information on cross border requirements 86.5%



Inaccessibility to information on rules and requirements 69.1%



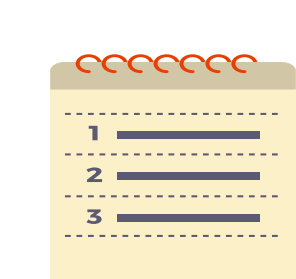
Put as many procedures online as possible 85.0%



Different national product rules 67%



Improve implementation and enforcement on EU law 83.0%



Different contractual and legal practices 65.6%



Take greater account of the impact of new regulations on SMEs 82.5%



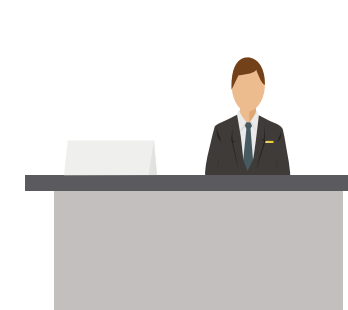
Concerns about resolving commercial or administrative disputes 60.5%



Better legal protection before national and European authorities and courts 81.6%



Different VAT procedures 60.4%



Facilitate proof of eligibility to provide services abroad 78.2%

Policy **Recommendations**



Commit to the Single Market in actions and not only in words



Improve the implementation and enforcement of Single Market law



Reduce complexity through better information online and digitalisation



Make the development of the Single Market for services the no° 1 priority



Provide a better legal framework adapted to the needs of SMEs



Boost the capacity of problem-solving services like SOLVIT



Reduce bureaucratic burdens by asking less administrative documents



Harmonize national regulations, while respecting the country of origin principle

About the **EUROCHAMBRES EU Internal Market barriers and solutions survey**



The survey is based on responses from 1.107 businesses across the 27 member states (excluding the UK) and provides a unique evidence-based insight into the barriers that business still have to face in today's incomplete European Single Market. The survey includes a ranking of the most useful solutions to these obstacles to trade according to business. With this survey, EUROCHAMBRES aims to contribute and assist the new von der Leyen Commission and the European Parliament on the identification of the key policy priorities for the next 5 years.

Factsheet – EUROCHAMBRES REPORT ON THE SINGLE MARKET

What is the objective of this survey and what insights does it provide?

A EUROCHAMBRES survey from 2018 showed that 70% of enterprises are not pleased with the current state of the Single Market. Needless to say, this figure is far too high.

As the von der Leyen Commission takes office, it is clear that a substantial part of the Single Market's potential is yet to be unleashed. Protectionism, also inside the European Union, is on the rise again which puts the Single Market and the enforcement of its rules under pressure.

Not in the least, EUROCHAMBRES notes a fatigue among policy-makers to renew and revitalize the Single Market. This puts the economic prosperity of European businesses and citizens at risk, as well as our competitiveness at the global stage.

The report including all the results is supposed to be read as a message from the European businesses to the European institutions and to prompt them to action.

Who participated in the survey?

1107 businesses from all EU Member States (except the UK) have participated in the survey. They are from different sectors and different sizes. They delivered answers in an anonymous way between 2 September and 2 October.

Here are some figures about the composition of the respondents:

- 45.8% are producers and 54,2% are service providers.
- 31.3% have less than 10 employees, 24% between 10 and 49, 23.2% between 50 and 249 and 21.5% have more than 250 employees.
- 77.1% of respondents already trades cross-borders in the EU, while 8.9% would like to but doesn't yet. 13.9% doesn't and has no plans to do so.
- 30.4% of respondents trade online.

How was the survey done?

EUROCHAMBRES, together with the Chambers of Commerce and Industry, have set up a survey including 3 sections. The first section concerned the perceived obstacles to trade in the Single Market. Businesses were asked in this section to give their perception on 16 suggested obstacles, rating them from “*very significant*” to “*insignificant*”.

The second section followed the same logic with a list of 16 suggested solutions to the obstacles, which the businesses could rate from “*extremely helpful*” to “*unhelpful*”.

The final section focused on what business do in case of an infringement of their Single Market rights. Several non-mutually exclusive options were given to them.

What are the main obstacles in the Single Market?

- Complex administrative procedures (79.5%)
- Different national service rules (71.6%)
- Inaccessibility to information on rules and requirements (69.1%)
- Different national product rules (67.0%)
- Different contractual/legal practices (65.6%)
- Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts (60.5%)
- Differing VAT procedures (60.4%)

What are the main solutions to the obstacles in the Single Market?

13 out of 16 suggested solutions have an approval rating above 70% (means that the respondents said it was either “*extremely helpful*” or “*helpful*”).

- Cutting red tape e.g. extensive reporting, information or documentation obligations (91.2%)
- Better and clearer information on a single EU online portal in different languages concerning all necessary procedures and formalities to operate in another EU country (86.5%)
- Administrative simplification for trading goods and services in other EU Member States by making available a maximum number of procedures through an online web portal (85.0%)
- Improved implementation of EU law via more cooperation between Member States and EU Commission on enforcement (83.0%)
- Take greater account of the impact of new regulations on small and mid-sized enterprises (82.5%)
- Ensure better legal protection before national and European authorities and courts in case of breaches of EU rules (81.6%)
- Creation of a single point of contact in the home country, certifying your company's eligibility to provide services in your home country, in order to facilitate proof of eligibility in other EU countries (78.2%)
- Harmonisation of national regulations and standards such as product design and licensing requirements (77.5%)
- A standardized EU-wide VAT declaration in your native language (77.5%)
- Increased action against national measures that make it more difficult for foreign companies than domestic ones to establish themselves on their local market (75.0%)
- A single EU-wide repository where you can enter company data and documentation required for public tender processes in order to avoid multiple requests for the same information (73.5%)
- Harmonisation of national regulations on (online) consumer protection (71.2%)
- Stop requiring A1 portable document forms for business trips abroad (70.2%)

Are there differences between Service providers and producers?

Yes. Service providers have a markedly more negative view of the current state of the Single Market. The percentages about the barriers are consistently higher for 13 out of the 16 suggested obstacles. This makes sense as the services sector is much less integrated than the Single Market for goods.

Are there differences between companies of different sizes?

Yes. The results suggest that 86.4% of small and medium-sized companies want that legislation is better adapted to their needs. Bigger companies seem to have more issues with the portable A1 document required by national administrations when sending workers abroad.

for business trips. They have more issues with this related to the fact they are more active in markets other than their domestic one.

Are there differences between companies already exporting in the EU and the ones who are not?

Yes. The companies not exporting yet but willing to consistently perceive higher barriers to trade than those already active in the Single Market. They especially see higher barriers with regards to differences in national consumer laws, arbitrary procurement practices and a lack of information about potential business partners abroad.

What are EUROCHAMBRES policy priorities for the 2019-2024 legislative term?

We have lined up 8 priorities, based on the responses of the 1107 participating companies. They are described in more detail in the final report.

These are:

1. Commit to the Single Market in actions and not only in words
2. Improve the implementation and enforcement of Single Market law
3. Reduce complexity through better information online and digitalisation
4. Make the development of the Single Market for services the no° 1 priority
5. Provide a better legal framework adapted to the needs of SMEs
6. Boost the capacity of problem-solving services like SOLVIT
7. Reduce bureaucratic burdens by asking less administrative documents
8. Harmonise national regulations, while respecting the country of origin principle



Report on obstacles in the Single Market in 2019

Top 5 of biggest obstacles per Member State

AUSTRIA



1. Different national service rules

2. Complex administrative procedures

3. Inaccessibility to information on rules and requirements

4. Different contractual/legal practices

5. Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts

BELGIUM



1. Complex administrative procedures

2. Inaccessibility to information on rules and requirements

3. Different national product rules

4. Different national service rules

5. Different contractual/legal practices

BULGARIA



1. Complex administrative procedures

2. Different national product rules

3. Inaccessibility to information on rules and requirements

4. Different national service rules

5. Differing VAT procedures

CROATIA



1. Non-VAT related taxation issues

2. Complex administrative procedures

3. Differing VAT procedures

4. Different national product rules

5. Issues related to payment recovery

CYPRUS



1. Insufficient legal/financial information about potential business partners in other countries

2. Inaccessibility to information on rules and requirements

3. Issues related to payment recovery

4. Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts

5. Complex administrative procedures

CZECH REPUBLIC



1. Complex administrative procedures

**2. Insufficient legal/financial
information about potential business
partners in other countries**

3. Issues related to payment recovery

4. Different contractual/legal practices

5. Different national service rules

GERMANY



1. Complex administrative procedures

2. Problems/uncertainties in posting workers temporarily to another country

3. Different national service rules

4. Inaccessibility to information on rules and requirements

5. Different national product rules

HUNGARY



1. Insufficient legal/financial information about potential business partners in other countries

2. Different contractual/legal practices

3. Issues related to payment recovery

4. Different national product rules

5. Complex administrative procedures

ITALY



1. Complex administrative procedures

2. Issues related to payment recovery

3. Inaccessibility to information on rules and requirements

4. Insufficient legal/financial information about business partners in other countries

5. Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts

LATVIA



1. Different national product rules

**2. Insufficient legal/financial
information about potential business
partners in other countries**

3. Complex administrative procedures

4. Different national service rules

**5. Inaccessibility to information on
rules and requirements**

LUXEMBOURG



1. Complex administrative procedures

2. Different national service rules

3. Differing VAT procedures

4. Non-VAT related taxation issues

5. Problems/uncertainties in posting workers temporarily to another country

MALTA



1. Complex administrative procedures

2. Different national service rules

3. Concerns about resolving commercial or administrative disputes, also because of deficits in legal protection before national or European authorities and courts

4. Insufficient legal/financial information about potential business partners in other countries

5. Inaccessibility to information on rules and requirements

THE NETHERLANDS



1. Complex administrative procedures

2. Different contractual/legal practices

3. Inaccessibility to information on rules and requirements

4. Insufficient legal/financial information about potential business partners in other countries

5. Different national service rules

POLAND



1. Issues related to payment recovery

2. Different national service rules

3. Complex administrative procedures

4. Different product service rules

**5. Insufficient legal/financial
information about potential business
partners in other countries**

PORTUGAL



1. Complex administrative procedures

2. Different national product rules

**3. Insufficient legal/financial
information about potential business
partners in other countries**

4. Different national service rules

**5. Inaccessibility to information on
rules and requirements**

ROMANIA



1. Different national product rules

**2. Insufficient legal/financial
information about potential business
partners in other countries**

3. Different national service rules

**4. Inaccessibility to information on
rules and requirements**

5. Complex administrative procedures

SPAIN



1. Complex administrative procedures

2. Different national product rules

3. Different national service rules

4. Different contractual/legal practices

5. Discrimination of foreign enterprises by legislation or national authorities