

## FREE MOVEMENT OF GOODS AND SERVICES

---

For many European businesses, the European Union (EU) is first and foremost a single market in which to trade freely and without barriers. In recent years, the so-called 'Internal market' has been enlarged as well as deepened through provisions, which should help facilitate further the free trade of goods and services.

The Single Market is the core, as well as the motor, of European integration. **There are four fundamental freedoms** enshrined in the EC Treaty (free movement of goods, services, persons and capital), which should enable European enterprises and citizens to benefit directly from the advantages of the EU.

A well functioning Single Market without barriers is a **political and business priority**.

The Internal Market has produced **benefits for the European economy** over the period 1992-2006, with estimated gains around 2.2% of the EU GDP and the creation of 2.75 million extra jobs. The internal market is also accompanied by a social and regional policy agenda and backed up by EU structural funds.

However, a **truly integrated Internal Market in Europe is not yet a reality** - as barriers remain in many sectors, particularly for goods and services. This state of affairs often negatively affects companies -especially SMEs. **Today, only about 8% of European SMEs trade cross-border within the EU internal market.**

The European institutions, with the input of European businesses, have tried to address these problems in recent years, adopting a Directive on the free movement

and provision of Services (end of 2006) - the so-called '**Services Directive**' as well as a legislative package which should enforce the application of the principle of 'mutual recognition' in the internal market for goods (2008) - the so-called '**Goods Package**'.

The Commission is due to present a legislative proposal for the establishment of a **European Common Consolidated Corporate Tax Base (CCCTB)** in autumn this year. If really business-friendly in its structure, content and specific provisions, such a proposal bears the potential to facilitate and to foster the real creation of a more integrated internal market, eliminating fiscal and administrative barriers which greatly hamper the movement of goods and services in Europe. The EPE could play an important role in putting forward the small and medium businesses' perspective on this politically sensitive dossier, given that fiscal policy and taxation issues remain essentially the responsibility of the EU Member States.

The Commission will in July present a proposal for a **European Private Company statute (SPE)**. This statute is an optional form for creating new companies. Four key principles drive the proposal. First, the SPE statute is simple, self contained and uniform throughout Europe. Second, it is flexible regarding the internal organisation of the company. Third, it should help to make it cheap and easy to set up a business. Fourth, it should be possible for both individuals and companies to create companies under this statute. The proposal will be discussed by the Council and the European Parliament during the Autumn, so the views of the EPE will be timely.

Initiative under the High Patronage of  
Mr. José Manuel Barroso,  
President of the European Commission



European Commission



## TRADING IN GOODS AND SERVICES OUTSIDE THE EU

The EU contains some of the most open economies in the world, accounting for just about 7% of world population, but over 20% of global trade and almost half of foreign direct investment. This openness has been a major catalyst for growth over the last decades. **The challenge for European business is to grasp the opportunities offered by the globalisation process** and to minimise the risks from unfair trade practices or sheer protectionism.

Moreover, **all efforts must be made to successfully conclude the Doha round of multilateral trade negotiations**, to enforce effective Intellectual Property Rights, and to enhance the EU's market access strategy. It is indeed only the combination of a well functioning internal market and a mature external policy that will allow business to succeed.

Globalisation has been too often used as the cause for problems of development, environment and social unrest. It is urgent and important to develop a clear message around the positive impact that globalisation can have in these areas.

Along the same lines, **a possible disintegration of a transparent multilateral trading system is always a threat**. Although recognizing the potential of Free Trade Agreements (FTAs) and/or Association Agreements to improve market access and trade rules, the proliferation of bilateral FTAs in many parts of the world creates a vicious competition with, ultimately, no winners. **These agreements should by no means substitute the multilateral framework under the World Trade Organization.**

Every year, nearly 1 million businesses in Europe are assisted by their Chambers to 'go international'. This is done through a variety of instruments: seminars, workshops and training sessions, individual coaching and advice, information services, trade promotion and business cooperation programmes, etc. These resources and this knowledge must be shared, to the benefit of the European economy. In this area of what we call "economic diplomacy", however, more can be done to support European enterprises on the global marketplace. In this sense, **"Europe" should be better promoted and exploited, to the benefit of its companies and citizens.**

### For more information on FREE MOVEMENT OF GOODS AND SERVICES:

- European Commission Internal Market website: [http://europa.eu/pol/singl/index\\_en.htm](http://europa.eu/pol/singl/index_en.htm)
- EUROCHAMBRES' Position Paper on the 'Goods' Package': [www.eurochambres.eu/content/default.asp?PageID=1&DocID=120](http://www.eurochambres.eu/content/default.asp?PageID=1&DocID=120)
- EUROCHAMBRES' last survey on the Services Directive: [www.eurochambres.eu/content/default.asp?PageID=1&DocID=655](http://www.eurochambres.eu/content/default.asp?PageID=1&DocID=655)
- EUROCHAMBRES' Position paper on Company taxation: [www.eurochambres.eu/Content/Default.asp?PageID=1&DocID=661](http://www.eurochambres.eu/Content/Default.asp?PageID=1&DocID=661)

### For more information on the SPE:

- European Commission Internal Market website: [http://ec.europa.eu/internal\\_market/company/epc/index\\_en.htm](http://ec.europa.eu/internal_market/company/epc/index_en.htm)
- EUROCHAMBRES' Position Paper on SPE: [www.eurochambres.be/Content/Default.asp?PageID=65](http://www.eurochambres.be/Content/Default.asp?PageID=65)

### For more information on TRADING IN GOODS AND SERVICES OUTSIDE THE EU:

- European Commission External Trade website: [http://ec.europa.eu/trade/index\\_en.htm](http://ec.europa.eu/trade/index_en.htm)
- EUROCHAMBRES' website on horizontal trade issues: [www.eurochambres.eu/Content/Default.asp?PageID=175](http://www.eurochambres.eu/Content/Default.asp?PageID=175)
- EUROCHAMBRES' website on SMEs' internationalisation: [www.eurochambres.eu/Content/Default.asp?PageID=221](http://www.eurochambres.eu/Content/Default.asp?PageID=221)