



European Policy Directorate

Making the UK an effective partner in Europe

ACTION SINGLE MARKET OPENING THE DOOR TO EUROPE A GUIDE FOR BUSINESS



Department of Trade and Industry

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THE SINGLE MARKET - OPPORTUNITIES FOR YOUR BUSINESS

SOMETIMES KNOWN AS THE SINGLE EUROPEAN MARKET OR THE INTERNAL MARKET, the Single Market was forged through an agreement between a number of European countries to pull down trade barriers and build an area without internal frontiers: an area in which four fundamental freedoms - the free movement of goods, people, services and capital - were ensured.

In practical terms this has been achieved through the complete removal of customs barriers between all EU Member States and through mutual recognition of goods and service standards.

Today the Single Market is home to around 380 million consumers and, in 1999, was the destination for 54% of all UK exports, worth some £120 billion. It includes the fifteen Member States of the European Union together with Iceland, Norway and Liechtenstein.

The advantages for business have been huge. The Single Market has:

- Eliminated trade tariffs and customs barriers to give British companies a wider market for UK goods.
- Made it easier and quicker to trade by reducing export bureaucracy and establishing common product and safety standards so that manufacturers can sell their products all over Europe without lengthy and expensive re-testing in every country.
- Opened up the European labour market through mutual recognition of skills and qualifications.
- Increased choice and helped to bring down prices through greater competition and liberalisation: cheaper air fares, lower energy costs and lower telephone charges are just part of the result.
- Made public purchasing more open and established fairer competition.

IMPROVING THE SINGLE MARKET IN THE 21ST CENTURY

THE SINGLE MARKET HAS GREATLY IMPROVED THE BUSINESS ENVIRONMENT ACROSS EUROPE. Nonetheless, some trade barriers remain, often where common standards are yet to be agreed and national legislation still applies. The UK is working with the European Commission to improve the Single Market and ensure that it responds to the new challenges presented by the developing global economy. Current reforms aim to help the market respond to the economic challenges of the new millennium and make Europe the most advanced knowledge-based economy in the world.



WHEN THE SINGLE MARKET ISN'T WORKING

THERE IS NO DOUBT THAT THE CREATION OF THE SINGLE MARKET HAS BROUGHT HUGE BENEFITS TO BUSINESSES ACROSS EUROPE. Many British exporters have taken advantage of the improved conditions to expand their markets in Europe. And while most do not encounter difficulties trading in Europe, some do.

Enforce your rights

The principle of **Mutual Recognition** is the cornerstone of the Single Market. In simple terms, it means that products or services acceptable for sale in one Member State cannot be banned from sale in any other Member State, except in exceptional circumstances. In addition, skills and qualifications gained in one Member State are recognised in all others. The mutual recognition of national rules removes the need for detailed agreements between Member States, except in certain areas i.e. to protect health and ensure safety. Where Member States have agreed that legislation is required on health and safety grounds, they have generally passed directives setting common standards across the EU. Products complying with the requirements can circulate freely. Some exporters still experience problems because some countries continue to have health and safety concerns or because of a lack of understanding of EU regulations by national authorities.

Channels Of Communication

It is in the interests of manufacturers, service providers and consumers across Europe that the Single Market works as well as possible. To gather information about how well the market is performing, the European Commission has established a *'Dialogue with Citizens and Business'*. The dialogue uses local European Information Centres to provide EU-related information and advice to business and obtain feedback about their experience of trading in Europe. The Commission has also produced a series of leaflets outlining citizens' rights and set up a network of national co-ordination centres to give businesses advice and assist those wishing to lodge complaints. The UK's Co-ordination Centre is known as **Action Single Market** and is based at the Department of Trade and Industry.



ACTION SINGLE MARKET – HERE TO HELP

ACTION SINGLE MARKET WAS LAUNCHED IN 1996 TO IMPROVE THE ADVICE AND HELP GIVEN TO BUSINESSES which experience difficulties exporting to Europe and to investigate complaints from companies in other Member States wishing to export to the UK. The Unit deals with some 80 substantive cases a year, most of which are resolved to the satisfaction of the UK complainant.

The majority of cases are resolved through direct discussion with the country where the problem has arisen. The process usually takes two to three months, though it can be longer if the UK takes the complaint to the European Commission.

Fighting Your Corner In Europe

The Action Single Market team provides a free service which includes:

- advice and information to businesses and citizens;
- taking up complaints with the appropriate national authority and, where necessary, the European Commission;
- presentations to business about the work of Action Single Market.

All enquiries are treated as commercially confidential.

The service is designed to ensure that any company or citizen can afford to take action to ensure their product can compete fairly in any part of the Single Market.

If you are having a problem exporting to Europe, however trivial it might seem, we want to know about it.

If your company is experiencing difficulties trading with EU or EFTA countries in the Single Market, contact us today.

Address: Action Single Market, Kingsgate House,
66-74 Victoria Street, London SW1E 6SW

Telephone: 020 7215 4212, Fax: 020 7215 4720,

E-mail: asm@dti.gsi.gov.uk

ACTION SINGLE MARKET CAN SOLVE YOUR PROBLEM

ACTION SINGLE MARKET AIMS TO RESOLVE YOUR PROBLEM IN THE QUICKEST AND MOST EFFICIENT WAY. In most cases, we will do this informally through our contacts in the relevant Member State. Occasionally, however, we have to pursue a case formally through the Commission.

Our first step is to gain a clear understanding of the issues involved so that we can present your case to the appropriate authorities as convincingly as possible. To get a full picture of the situation, we may need to meet you to talk through your case. This can be at your own premises.

Once we understand your case, we will let you know if we think there are genuine grounds for complaint. If there are we will take the case forward on your behalf. You will receive a written acknowledgement of your complaint within five working days of telling us about it, followed by a progress report within two to three weeks. The progress report will let you know what we can do and what we have achieved in our investigations so far.

How We Pursue Your Complaint

In resolving your case:

- we will approach the authorities in the Member State concerned directly by contacting the relevant Co-ordination Centre or by getting in touch with the British Embassy there;
- if that proves unsuccessful, we will put a case to the European Commission.

What You Can Do To Strengthen Your Case

When presenting your complaint there are a number of steps you can take which will help us to take the matter forward more quickly. It will help us if you provide:

- A brief summary of the issue
- Any correspondence on the matter
- Any relevant documentation
- Any other supporting evidence

Don't forget - all material you give us will be treated as commercially confidential.

TAKING YOUR COMPLAINT FURTHER

A LARGE MAJORITY OF CASES (AROUND 80%), ARE RESOLVED WITHOUT HAVING TO INVOLVE THE COMMISSION. This is in part because the Action Single Market team can call on a wide network of expertise in presenting your case, including:

- Technical experts
- Government legal services
- Specialists throughout Whitehall
- British Embassies throughout Europe

Complaining through the European Commission

If the bilateral approach proves unsuccessful, Action Single Market will help you to present your case to the Commission and will monitor its progress. This is known as the *infraction procedure*. Outlined under the EC Treaty, the infraction process involves a number of stages in which the Commission writes to the Member State concerned and acts as arbiter. Because the procedure is formal, it can take some time to resolve individual cases - even, in some of the worst cases, several years. This can be frustrating, but the involvement of the Commission can add considerable weight in fighting your cause. The final step in such an investigation is taking the case to the European Court of Justice. Virtually all cases, however, are resolved before they reach this stage.

Getting Others Involved

In some cases, a trade barrier affects an entire sector of the economy. In these circumstances, it may be helpful to involve the appropriate Trade Association or other representative bodies. Most are happy to act as liaison points with Action Single Market where a particular issue is affecting a whole sector. Again, commercial confidentiality will be fully respected in such cases.



COMMON PROBLEM AREAS

MANY OF THE CASES REFERRED TO ACTION SINGLE MARKET FOCUS ON THE SAME ISSUES because there are some areas where gaps remain in European law. Here are some of the most common problem areas.

Public procurement

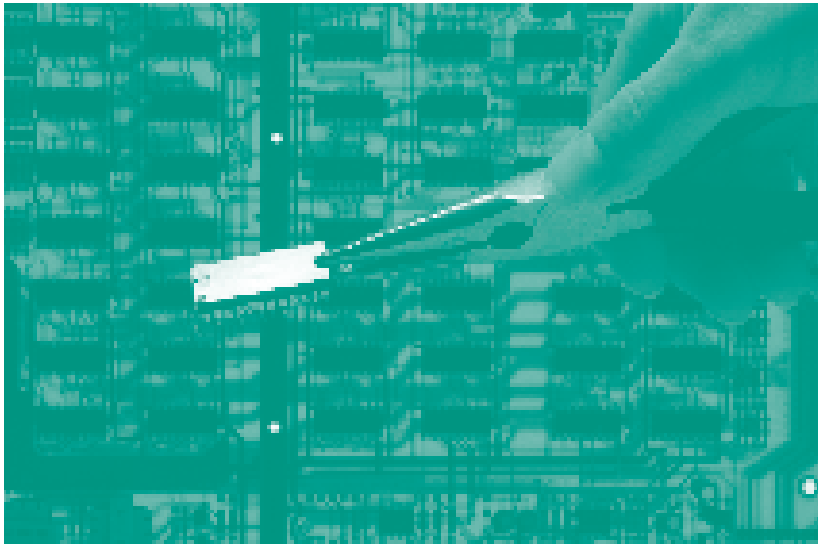
Governments and other public authorities are major purchasers of goods and services, accounting for more than £500 billion worth of business in the European Union each year. European purchasing rules are intended to open such contracts to cross-border competition and to make sure that businesses across the EU find out about government procurement opportunities. Details of tenders are published on-line in the Official Journal of the European Communities (<http://europa.eu.int/eur-lex/en/oj>).

Unfortunately sometimes public authorities act unfairly. If you think your company is being unjustly excluded from bidding for a government contract, we will try to make sure that you get the chance to compete on equal terms in much the same way as we would deal with any other case. You can also take action under the EU's Public Purchasing Remedies and Compliance Directives, which give you the right to appeal to national courts where there is discrimination. Information about public procurement rules can be found at the European Procurement Service website (<http://simap.eu.int>). Guidance on the EC rules is also available on the Office of Government Commerce website (<http://www.ogc.gov.uk>).

Technical Standards

Standards are specifications for goods and services which are agreed by consensus and approved by a recognised standardisation body. Usually they are drafted by European or international standards organisations at the instigation of industry or other interested parties to enable access to wider markets and to offer protection to the consumer.

While many standards and associated testing and certification requirements have been harmonised at European or international level, some have not. Surveys of business show that national requirements remain one of the major obstacles to trade within Europe. For advice about standards, contact the British Standards Institution (<http://www.bsi.org.uk>). For information about standards and technical regulations generally, including about CE markings, see the DTI's web pages on standards (<http://www.dti.gov.uk/strd>). These include links to a number of other useful sites.



VAT

One area which causes frustration to a number of businesses is the considerable delay they experience reclaiming VAT paid up-front in another Member State. Bureaucratic procedures mean that these delays can run into months, even years. Action Single Market has experience of dealing with such problems and has achieved notable successes in facilitating refunds and in some cases recovering interest which has resulted from delays in payment.



State Aids

Member states, including the UK, can develop aid programmes to support industry, but the European Commission has considerable powers to monitor, control and restrict the forms and levels of aid to ensure that it does not distort, or threaten to distort competition.

If you think you are losing out because of unfair government subsidies to a rival in another Member State, get in touch with the Action Single Market team. We will try to establish whether the subsidy has been approved by the Commission. Low pricing is not, in itself, sufficient evidence of unlawful subsidy. Nonetheless, if the Commission has not approved the aid package, we can ask it to investigate formally and if proven, order the recovery of the unlawful aid with interest from the date granted.

Labelling

Goods on sale in the Single Market must comply with a number of compulsory labelling requirements. In addition, some Member States use a variety of voluntary labelling schemes, particularly relating to environmental issues. All labels have to be readable and accurate and should not mislead the consumer. Nonetheless, excessive labelling requirements can impose additional costs on businesses and because of this can constitute a barrier to trade. If you believe that the labelling you are being asked to provide goes beyond what is reasonable, contact us and we will take up your case with the relevant authorities.

The European Commission provides information about doing business in Europe on its website. The site includes advice on a number of these issues, including public procurement and standards. For details see <http://www.europa.eu.int/business>

USEFUL CONTACTS

Department of Trade and Industry

Action Single Market
 Kingsgate House
 66-74 Victoria Street
 LONDON SW1E 6SW
 Tel: 020 7215 4212
 Fax: 020 7215 4720
 Email: asm@dti.gsi.gov.uk

You can find out more about the Single Market on the DTI's website:
www.dti.gov.uk/europe. General information about Britain and Europe is available
 at www.fco.gov.uk.

The European Commission

The European Commission can also provide information about the Single Market
 and advise companies about how to contact their local European Information
 Centres. The Commission has four offices in the UK:

8, Storey's Gate London SW1P 3 AT Tel: 020 7973 1992 Fax: 020 7973 1900/10	Windsor House 9/15 Bedford Street Belfast BT2 7EG Tel: 01232 240 708 Fax: 01232 248 241
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4 Cathedral Road Cardiff CF1 9SG Tel: 01222 371 631 Fax: 01222 395 489	9 Alva Street Edinburgh EH 2 4PH Tel: 0131 225 2058 Fax: 0131 226 4105
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For general information from the Commission, see www.europa.eu.int/business

EFTA

For information on the EFTA members of the Single Market (Norway, Iceland and Liechtenstein) contact:

EFTA Secretariat Tel: (+ 32 2) 286 1711
74 rue de Treves Fax: (+ 32 2) 286 1750
B-1040 Brussels

Other useful numbers

Small Business Service (European Union and International Section) Robert Kelly -
020 7215 0275/email: robert.kelly@sbs.gsi.gov.uk

Business Links Signpost Line (0345 567 765) will put businesses in touch with their nearest Business Link.

Trade Partners UK (020 7215 5444/5445) will put businesses in touch with trade promotion experts within DTI.

The Office of Government Commerce (020 7211 1334 or 1335/
www.ogc.gov.uk) can advise about the EC procurement rules.

The British Standards Institution (020 8996 9111/www.bsi.org.uk) can advise about standards.

