



EUROPEAN COUNCIL
THE PRESIDENT

Brussels, 6 March 2013

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&form of address

In order to restore the stability of the European economy much work has been done in the Member States, in the euro area, and in the Union as a whole. Recent forecasts, however, suggest that economic recovery will be slow and fragile. Therefore, in 2013 we must continue to press on with structural reforms that will boost European competitiveness and will further reinforce confidence in the European economy.

More can and should be done. We need to tap new sources of growth and jobs, and the deepening of the single market by removing remaining barriers is key in this regard.

With this in mind, almost exactly two years ago, the European Council invited Council and Parliament to adopt all twelve priority measures under the Single Market Act I (SMA I) by the end of 2012. We all agreed that your Ministers should prioritise them in their works.

Thanks to considerable efforts of the past Presidencies of the Council, tangible results have been achieved. Nonetheless, regrettably, the deadline we set was missed for a number of levers of the SMA I – in fact, for most of them.

This delay is hard to justify, since it casts doubt on our resolve to urgently take all the concrete steps to bring back growth to the European economy.

On some files, work is rather advanced. A rapid agreement on the accounting directive will reduce the administrative burden on millions of European micro- and small enterprises and allow them to jointly reap billions of euros in savings per year.

A timely conclusion of negotiations on the recognition of professional qualifications will address two acute problems of the EU's economy: the unacceptably high unemployment rates as well as shortages of high-skilled labour.

Agreement is also within reach on public procurement. If we grasp it, European companies can benefit from procedures that are simpler and more supportive to innovation. Since public authorities spend 18% of GDP on goods, works and services, this measure can bring EU businesses significant savings.

If we intensify our efforts, these three files can still be adopted before July 2013, under the Irish Presidency of the Council.

We also need to accelerate work on measures related to European network industries, in transport, energy and telecommunications. Their performance has a critical spill-over effect on the rest of the economy. In this respect, the negotiations on the Connecting Europe Facility should proceed swiftly. If we press ahead and your Ministers show adequate flexibility, all four files related to Trans-European Networks could also be closed in the first half of this year.

For some other SMA I files, we are, to my regret, faced with even longer delays. We are foregoing competitiveness gains from the non-adoption of e-signature, aimed at strengthening confidence in electronic transactions, and therefore a pre-condition for the development of the digital single market. Negotiations are particularly slow in SMA I measures related to taxation. Agreement could still not be found on energy taxation rules which will support energy savings, or on the common consolidated corporate tax base for businesses which aims to level the playing field among Member States. Similarly, we are significantly delayed with the initiative on posted workers.

We need more flexibility in the national positions and more willingness to compromise. We need more robust progress on these files. Therefore, I appeal to you to muster sufficient political will to close these negotiations as early as possible this year, as a matter of urgency.

Another consideration adds to this. The delivery on measures under the SMA I must be accelerated to avoid a clash of workload with initiatives under the second single market act (SMA II), on which work has already started. Acceleration for the pending and upcoming SMA II proposals, which should all be delivered by June, is crucial, so that they can be examined and adopted before the end of the current legislature, as agreed in December by the European Council. We need to move quickly, as we cannot afford to miss yet another deadline we have set ourselves. If not, parliamentary elections and changes in other institutions would delay the adoption of these urgent files for a considerable time.

Whilst working on new proposals, we cannot lose sight of implementation of the Single Market legislation and of its governance.

Two years ago, the co-legislators decided to tackle delayed payments, a major obstacle for the flow of goods and services with particularly crippling effects on European SMEs. The deadline for the directive to be transposed into national laws is 16 March 2013, but to date most Member States have not completed this process. I ask you to put all efforts in assuring transposition without delay.

We need to bring down the barriers if we want the single market to work for our citizens and businesses . I appeal to you to accelerate the pace of negotiations. We badly need these growth-enhancing measures. We cannot spare any efforts to rekindle growth and reinforce competitiveness.

With this objective in mind, in the European Councils which will follow our March meeting, I should like us to embark on a series of thematic discussions focused on different aspects of rebuilding competitiveness of the European economy and spurring recovery and jobs. I am looking forward to productive discussions on energy (in May), innovation and digital agenda (October), and industry (February 2014). These discussions would lead to a more general debate on the Europe 2020 strategy in March 2014.

Ahead of the European Council of June, I also intend to come back to you on the state of implementation of the Compact for Growth and Jobs. I am confident that looking at where we stand one year after the adoption of the Compact for Growth and Jobs will also contribute to the aim we all share: to set the Union on a path of sustainable growth path towards the end of the decade.

&salutations

H. VAN ROMPUY