



Non-paper Finland's views on strengthening the single market

A well-functioning single market is vital for the future growth and competitiveness of Europe. The COVID-19 crisis has further emphasised the importance of a well-functioning single market and the four freedoms. We need to make sure that the temporary restrictions imposed and measures taken because of the crisis do not lead to permanent distortions in the single market. In the current economic and socio-economic situation, developing and improving the single market should remain a clear priority of the Commission and of the Member States. A fair, open and transparent single market is necessary for European industries and businesses to be successful in achieving the European Union's objectives of the twin transition towards climate neutrality and digital leadership. In addition, single market should provide the same expectations and framework for responsible business conduct.

A fair, open and competitive single market is the basis for a level-playing field and it functions for the benefit of European businesses and consumers. Therefore, it is of utmost importance that the EU's competition and state aid rules remain as an efficient means to prevent the distortion of competition within the single market. The single market should be open also to operators from third countries, provided that they compete under similar conditions and rules as their European counterparts.

The European Union needs a smart combination of both short-term and long-term policy measures to address different issues in a forward-looking manner. Moreover, it is important to ensure that the connection between the possible new and the existing policy tools is clear and that it does not interfere with the efficient enforcement of the current rules.

Mainstreaming digital services to increase the productivity of the European economy

- *Rules have to be **fit for purpose and for the digital era**. There is no longer a clear distinction between goods and services or offline and online trade. Therefore, we need to look at digitalisation as mainstreamed development of the single market.*
- *We have to take into account the efficient implementation and enforcement of recently adopted legislation before a new legislation for instance related to online platforms.*

- *The European Union needs to develop a common and well-functioning EU-level solution for digital identification to enable cross-border e-procedures for citizens and businesses and for cross-border business, supported by a well-functioning European **digital identity infrastructure**.*

Enhancing the application and enforcement of EU law within the single market

- *Both the Member States and the Commission should pay more attention to achieving **consistent, effective and transparent implementation** of single market regulations. We need to ensure that the work of the joint Single Market Enforcement Task Force (SMET) will result in addressing the barriers.*
- *We have to make full use of the **existing regulatory framework**. We need uniform implementation, application and enforcement to make the single market work in practice for citizens, industries and businesses.*
- *The Commission should use the **tools** at its disposal more effectively to ensure proper implementation and enforcement of EU regulations, including the EU Pilot and infringement procedure. The Commission should make full use of **infringement procedures**, if Member States have not properly implemented EU law or are in breach of it.*
- *Swift and proper functioning of the **European standardisation system** is vital in order to support the EU legislation and policy goals. European harmonised standards contribute to competitiveness, innovation, and consumer safety, and support SMEs. A continuous dialogue between the Commission, Member States, European Standardisation Organisations and other stakeholders is needed to solve the current challenges with harmonised standards and to maintain trust in the system.*

Integrating and opening up the single market further and removing barriers, especially in the field of services

- *We need new and more user-centric methods and tailor-made approaches to make better use of the untapped potential and to remove obstacles in the services market. Possible **sector- or region-specific policy measures and solutions should be scalable** for other sectors or regions.*
- ***We need to improve the opportunities for and remove barriers to cross-border trade for services.** By doing so, we will reap the benefits of a competitive manufacturing sector, as manufacturing and service activities are more and more intertwined.*
- *All Member States should commit to improving their performance in **reducing restrictions on services** while taking into account the need for adequate labour protection. We should focus on sectors where the economic significance is the greatest and where the barriers remain the most significant. The aim should be a real integration of the single market.*

- *Finland highlights the importance of concluding the negotiations on the **notification procedure on services**. A revised notification procedure would increase the transparency of national legislation and prevent unjustified barriers to service provision.*
- ***Administrative barriers and lack of information** are considered main hindrances to trade, in addition to legislative barriers. The Commission and the Member States should develop tools to increase the awareness among businesses. To this end, we need to pay specific attention to the proper implementation of the Single Digital Gateway and the Points of Single Contact.*

Investing in better regulation

- *The work in the field of better regulation should be aimed at achieving economically, socially and environmentally sustainable growth. This work must be based on a **sound and competitive** regulatory environment. EU policymaking needs to be **evidence-based** and proposals should be accompanied by thorough impact assessments.*
- *Single market regulation should be **innovation friendly** and **future-proof** so that it does not create **unnecessary regulatory burden** for EU businesses and citizens, and especially for SMEs.*
- *When considering the revision of the **General Product Safety Directive (GPSD)**, we welcome the idea to update the legal framework to ensure the safety of consumers. The revision needs to take into account sufficient powers for the market surveillance authorities and clarify the responsibilities and roles of different actors in online sales. It is also important to look into the rules of product traceability.*