



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE RELEASE

Directive on Services in the Internal Market: SMEs question feasibility of country of origin principle

Brussels, 10 November 2004 UEAPME, the European crafts and SMEs employers association, has cast doubts about the viability of the country of origin principle, which lies in the heart of the so-called Bolkenstein Directive. In a document sent to the EP Rapporteurs of the directive today, UEAPME argues that the application of the principle will create huge problems of supervision that might benefit fraudulent enterprises and put consumer protection at risk.

“We fully support the objective of the directive and we share the Commission’s view that the Internal Market needs a new thrust. However, we do fear that the country of origin approach as used by the Commission might lead to series of grave problems for SMEs in many sectors” **Hans-Werner Müller**, UEAPME’s secretary general said today.

The country of origin principle stipulates that once a service provider is operating legally in one Member State, it can market its services in others without having to comply with further rules in those "host" Member States. European SMEs doubt that this principle is applicable in practice. The following problems are likely to arise:

- the lack of resources of the country of origin to supervise the activities of national companies in other Member States,
- the language barrier between national administrations and
- the practicability of “on request inspections” of companies by the host countries

Therefore, UEAPME demands that a gradual and sector based harmonisation of the rules regulating the services market in the EU should be put in place. Such an approach would be feasible and would ensure a high level of service quality and consumer protection.

According to UEAPME, the draft directive also includes measures that are very helpful for SMEs, such as the proposals aiming to facilitate the establishment of service enterprises in the internal market. Provisions such as the creation of single contact points, the elimination of unnecessary certificates are certainly steps going in the right direction.

***** End *****

Note to editors: For further information, please contact Luc Hendrickx on tel +32 2 230 7599. The position paper can be downloaded at : http://www.ueapme.com/docs/pos_papers/2004/UEAPME_PP_directiveservicesEN_doc

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