



## **“The voice of SMEs in Europe”**

### **Press Release**

FOR IMMEDIATE ISSUE:

#### **MEPs take important steps towards a workable Services Directive**

**Brussels, 23 November 2005** MEPs have removed some of the uncertainty in the proposed Services Directive and provided a more coherent basis for opening up the services market, according to UEAPME, the European small and medium business organisation, following a vote in the lead Internal Market committee yesterday (Tuesday).

“MEPs have gone some way towards transforming the Services Directive from a complicated and potentially damaging behemoth into a sound foundation for completing the internal market for the remaining 70% of the EU economy. With one legislative act, the services sector will be ripped open, so it is vital that no mistakes are made and, particularly, that the high standards of European services are not undermined,” said **UEAPME Secretary General Hans-Werner Müller**.

UEAPME has continually reasserted its belief that opening up the internal services market is a crucial step for growth and job creation, however was concerned that the original text would have played into the hands of opportunists seeking to undercut standards of service provision. While the directive is still complex, the lead committee now appears to have struck a balance, ensuring the high quality of services and consumer protection, while opening up the services sector.

“By clearly providing for the exemption of environmental, employment and other social rules from the country of origin principle, the new draft should address the very real concerns of the Directive’s critics. Making the country of destination responsible for carrying out controls on service providers is an important clarification, which will ensure businesses comply with the high standards for service provision in most EU states,” continued Mr Müller.

The committee also approved an amendment guaranteeing respect of national rules prohibiting below cost provision of services or abnormally low tenders, addressing one of the key concerns of small firms, particularly small retailers and the construction sector. A further crucial amendment for small retailers guarantees respect of national planning laws on outlet size.

Excluding other important legal acts, like the Posting of Workers Directive and the new Directive on Professional Qualifications, from the scope of the Services Directive will go a long way towards removing some of the confusion and legal uncertainty of the original proposal. While the proposal to extend the ambit of the ‘one stop shops’ to all aspects of business regulation, including establishment, is a welcome initiative, which will overcome many of the administrative barriers faced by small businesses seeking to operate cross-border.

“The lead committee has vastly improved this crucial legislative proposal and we are hoping the European Parliament and Council will endorse this approach,” concluded Mr Müller.

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**EDITORS’ NOTE:** UEAPME is the employer’s organisation representing the interests of crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 78 member organisations, which represent crafts and SMEs across the whole of Europe, covering over 11 million enterprises with nearly 50 million employees.

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