

The Swedish Government's priorities 2019–2024

# THE EUROPEAN SINGLE MARKET

– a shared success for Europe

*Free movement of goods and services,  
the digital Single Market and standardisation*



**Government Offices of Sweden**  
Ministry for Foreign Affairs





## The European Single Market – a shared success for Europe

*With more than 500 million consumers and 24 million companies, the Single Market is the world's largest marketplace. The free movement of goods, services, people and capital has been an important factor in the EU's and Sweden's competitiveness, growth and employment. More than 70 per cent of Swedish exports go to countries in the Single Market, while 80 per cent of our imports come from these countries. Sweden's exports to the EU support around 730 000 jobs in Sweden.*

*The Single Market is often the first place Swedish companies turn to when looking to export and grow internationally. The Single Market has achieved significant results over the past 25 years, but challenges remain. The Government therefore wants to work for a better and more integrated Single Market over the next five years. We would like to see more the free movement of services, continued adaptation to the digital transformation and better implementation of existing EU legislation. In addition to being highly beneficial for Swedish consumers and companies, this will allow Europe's competitiveness to flourish. The Single Market has improved the lives of our citizens and conditions for our businesses, and will continue to do so.*

**STEFAN LÖFVEN**, Prime Minister

**ANNA HALLBERG**, Minister for Foreign Trade



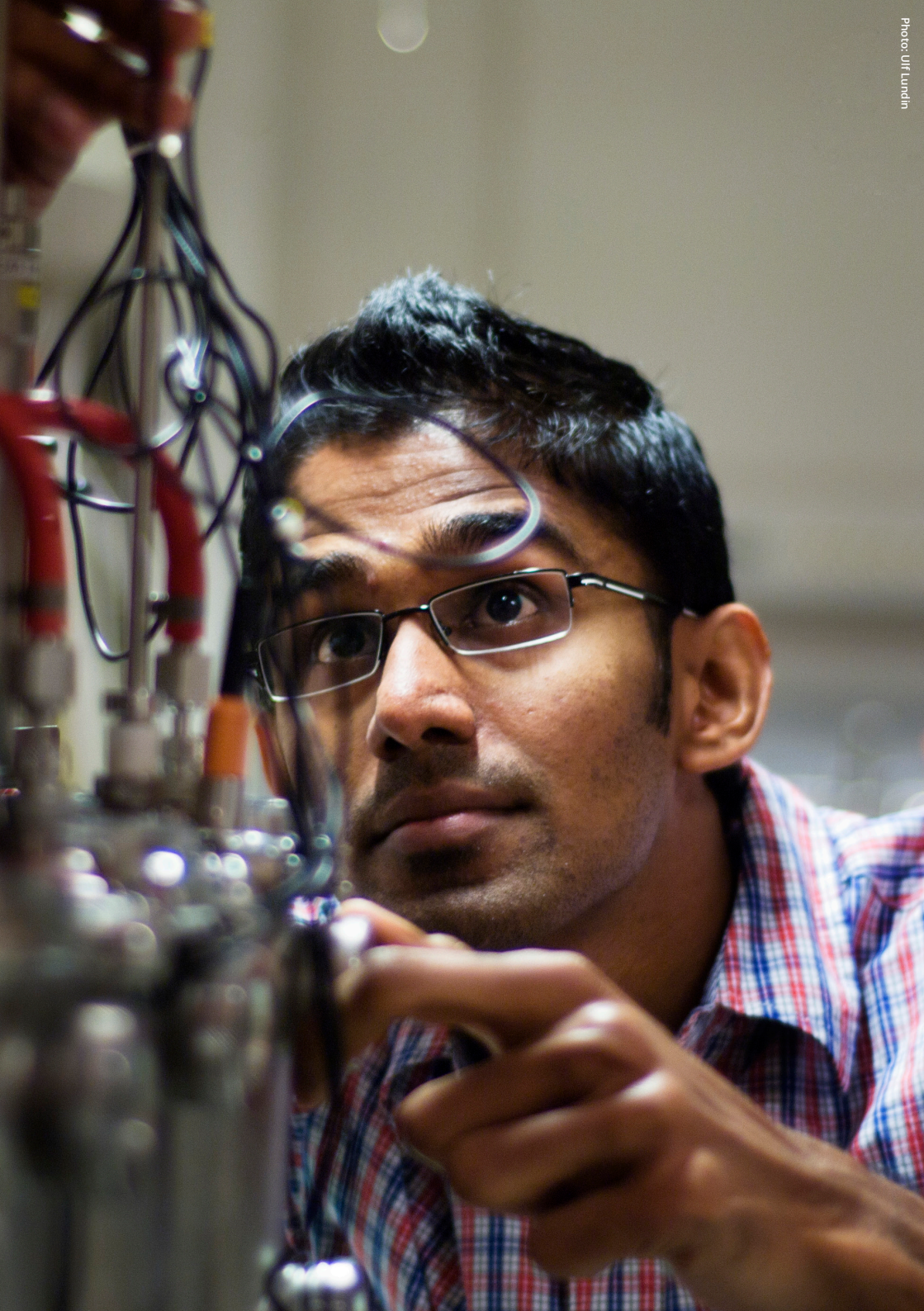


Photo: Ulf Lundin

# The Single Market is important for Sweden

Sweden, with its 10 million inhabitants, is a comparatively small country. Yet Sweden is one of the most competitive and globalised countries in the world. Our EU membership has laid the foundation for increased foreign trade and played a major, positive role for economic growth and welfare, and for Swedish businesses and consumers.

Sweden's trade in goods and services has more than doubled since 1995, when we joined the EU. Our exports of goods to countries in the Single Market increased by 158 per cent (or SEK 606 billion) between 1995 and 2018. Services exports to the EU increased by 121 per cent (SEK 235 billion) between 2005 and 2018.

**FOR COMPANIES:** Abolished duty costs, less administration and harmonised rules mean new business opportunities in EU markets. Many export companies begin their journey in Sweden, a relatively small domestic market, and gradually grow through increased exports to the EU – as a stepping stone to expansion around the globe.

**FOR WORKERS:** The Single Market creates job opportunities in Sweden and the rest of the EU. The exemption from work visa requirements for EU nationals gives workers the opportunity to work anywhere in the EU.

**FOR CONSUMERS:** The Single Market offers a greater selection of goods and services at lower prices and better quality. Through common high standards, more goods and services also become safer for consumers. The EU also contributes to strong consumer protection and environmental sustainability on the Single Market.

**FOR THE ECONOMY:** The economic integration of the Single Market stimulates investment and boosts growth in Sweden, and the rest of the EU, making a stronger society possible.



# The Government's priorities for the Single Market

– make the Single Market a top priority

The Single Market is one of the EU's greatest achievements. With more than 500 million consumers and 24 million companies, the Single Market is the world's largest marketplace and has been essential for Sweden's competitiveness, growth and employment.

The EU is an important market for Sweden and has a direct and major impact on Sweden's international competitiveness. Trade within the Single Market must be constantly strengthened, developed and adapted to new conditions, while also complying with existing regulatory frameworks. Studies show potential for considerable efficiency gains, corresponding to EUR 600 million, if the rules of the Single Market are upheld and implemented better. To strengthen EU global competitiveness and trade cooperation within the EU, the Government wants the Single Market to be a top priority in the coming years.

## THE GOVERNMENT CALLS FOR:

- a holistic approach to the Single Market and the four freedoms (goods, services, people and capital), as they are interdependent;
- the improved functioning of the Single Market and better implementation and compliance with existing regulatory frameworks;
- the promotion of a flexible standardisation process that facilitates innovation and preserves access to global markets;
- the development of the Single Market based on its users – citizens and companies – and a concentration of resources to provide maximum impact for them;
- a Single Market that benefits all citizens – the jobs created must be fair, without competition by means of lower wages or poorer working conditions;
- a gender equality perspective by ensuring that gender equality analyses are carried out when new legislative proposals are presented for the Single Market.

Photo: Melker Dahstrand



In November 2018, the European Commission presented its communication 'The Single Market in a changing world – A unique asset in need of renewed political commitment'. The Parliamentary Committee on Industry and Trade reviewed the communication and published a statement, which was the subject of a debate in the Chamber on 13 March 2019.





Photo: Shutterstock

## Improve the free movement of services

The services sector currently accounts for 70 per cent of total EU production. Around 76 per cent of all companies in the EU are service companies, employing more than two thirds of all people of working age in the EU.\*


Travel, business and transport services, as well as telephone, data and information services are some of the most common services crossing the border daily between Sweden and the EU. The importance of the services sector to the EU economy is steadily increasing; despite this, only 20 per cent of trade in services flows across borders in the EU. This corresponds to 5 per cent of the EU's total GDP.\*

\* Eurostat, 2016

The movement of services is strongly connected with the movement of professionals, as cross-border trade in services is linked to the opportunity to work in another Member State. Studies show that reducing professional regulation can lead to lower consumer prices and increased market dynamics. Given the services sector's significance, the Government considers that the movement of services must be a priority.

### THE GOVERNMENT CALLS FOR:

- improved compliance with existing regulatory frameworks and the Services Directive through the removal of disproportionate barriers, such as the requirement to have a certain legal form or shareholding;
- a reduced number of regulated professions in Member States through improved enforcement of the Professional Qualifications Directive and a comprehensive implementation of the new directive on a proportionality test for regulated professions;
- increased opportunities for service providers to operate in the EU through strengthened enforcement of the principle of EU Member States' mutual recognition of services and through administrative simplification.

 **If the remaining barriers to the free movement of services in the Single Market were removed, Sweden would experience robust GDP growth. It is estimated that in one year, Sweden's GDP could increase by 2 percentage points, or almost SEK 100 billion.**

Source: Copenhagen Economics report, 2018



# Enhance the free movement of goods

In 2017, trade in goods within the EU was three times that of trade in services.

Road vehicles, machinery, forest products, and electronics and telecommunications equipment are examples of goods in which Sweden has both substantial exports to and imports from other EU countries. Trade flows of goods in the EU continue to be extremely important for the EU's economic growth despite the rapidly growing significance of the services sector. The effective free movement of goods is largely based on trust between Member States, and between Member States and the European Commission. The Government therefore considers it important to safeguard, and not take for granted, the instruments and the principles that allow the free movement of goods between EU Member States.

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 The increasing importance of the services sector can be illustrated using a simple consumer good: a loaf of bread. Producing and delivering one loaf of bread requires up to 30 different services. Services make up around 72 per cent of its final price.  
Source: Copenhagen Economics report, 2018

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*"We are problem solvers and we help to provide the conditions for free trade. ... Standards are a major part of what has made the Single Market a success. This is the way we jointly agree on how products will be safe, healthy and environmentally friendly on the Single Market."*

**STINA WALLSTRÖM**, Chair of the Board, Swedish Standardisation Federation

## THE GOVERNMENT CALLS FOR:

- a strengthening of the functions and administrative procedures resulting from existing regulatory frameworks, prioritisation of measures that ensure EU rules on quality requirements and norms, and the uniform application of EU frameworks for future product-related legislation;
- better enforcement of the European notification procedure for goods to counter the adoption of national rules that unreasonably restrict free movement;
- the correction of potential gaps in goods legislation that risk impeding the development of new technologies such as 3D printing.





# Continue adapting the Single Market to the digital transformation

Sweden is one of the EU's most digital countries, and much can be gained from continuing to adapt to new trade conditions created by the digital transformation.

The digital transformation is changing our trade and consumption patterns. In combination with other enabling technologies, it is radically changing our way of designing, producing, commercialising and generating value from products and services. By nature, the digital transformation has no borders and thus facilitates increased cross-border trade and a more integrated Single Market. Rapid developments require swift legislation.

## THE GOVERNMENT CALLS FOR:

- the continued adaptation and updating of the Single Market to accommodate the digital economy – the digital transformation is horizontal by nature and must permeate all Single Market policies;
- an evaluation of the overall effect of the current strategy for the digital Single Market in order to identify the next steps;
- a special focus – in matters concerning the data economy and data sharing – to be placed on enabling new technologies, digital inclusion and digital literacy, information security and eGovernment, and on enabling infrastructure;
- a strong voice, by Sweden and other Member States taking the lead in adapting to the digital transformation.





# More about the Single Market

*"Improving the Single Market is an important priority for me. Initiatives and measures are needed so that our businesses and consumers can make better use of the opportunities offered by the Single Market."*

**ANNA HALLBERG**, Minister for Foreign Trade

## THE EUROPEAN SINGLE MARKET

The Single Market encompasses the EU Member States plus the European Economic Area (EEA) countries Norway, Iceland and Liechtenstein. Goods, services, people and capital should be able to move freely between these countries without being hindered by customs duties, charges, discrimination or national requirements.

## NATIONAL BOARD OF TRADE

The National Board of Trade is Sweden's government agency responsible for trade policy regarding the Single Market. It provides information about the rules that apply to trade in services and goods in Sweden. Citizens and companies can also contact the Board for assistance with matters relating to the implementation of EU legislation by government agencies. The Board reviews proposed rules for Swedish goods and services, and examines other EU Member States' new regulatory frameworks, with the aim of reducing trade barriers. Read more on [www.kommers.se](http://www.kommers.se).

## READ MORE ABOUT THE SINGLE MARKET

[www.government.se/sweden-in-the-eu/](http://www.government.se/sweden-in-the-eu/)  
[www.government.se/sweden-in-the-eu/permanent-representation-of-sweden-to-the-eu/](http://www.government.se/sweden-in-the-eu/permanent-representation-of-sweden-to-the-eu/)  
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