

# The single market at 30 (1993-2023)

## SUMMARY

The EU has the world's largest single market. Home to 345 million people when it was launched in 1993, it now numbers 447 million consumers and 23 million companies, and covers a considerable range of policy areas. This year, the single market is celebrating its 30th anniversary.

While the single market generates many jobs and considerable economic benefits, many hurdles remain. In March 2020, the Commission identified the top 13 barriers to cross-border activity (such as red tape), and the five main root causes of these barriers (such as inadequate enforcement of legislation).

Furthermore, recent shocks – including the pandemic and Russia's war on Ukraine – resulting in restrictions to free movement, shortages of goods and services, and rising energy prices, have shown not only how vulnerable the single market can be to crises, but also the extent to which the EU economy relies on a well-functioning single market.

In May 2022, the plenary of the Conference on the Future of Europe proposed to deepen the single market further. On 18 January 2023, Parliament adopted a resolution on the 30th anniversary of the single market. Reaffirming its readiness to play its role in the process, Parliament called for renewed commitment from the Member States and the other EU institutions, and a specific agenda for action towards 2030 and beyond, to strengthen and develop the single market further, not least in areas such as services, energy, telecommunications and the digital single market.

On 16 March 2023, the Commission put forward a communication on the single market at 30, in which it discusses a possible way towards further single market integration.

*This is an update of an ['at a glance' note](#) published for the ceremony marking the anniversary during the January plenary session. An [EPRS infographic](#) provides additional information on the single market.*



### IN THIS BRIEFING

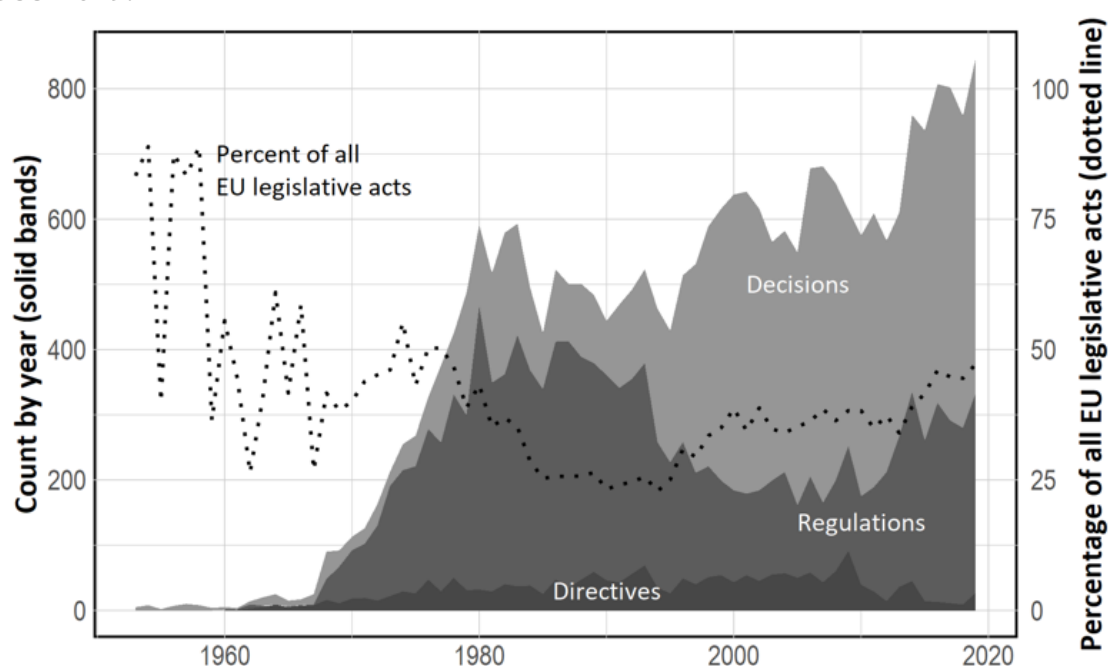
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## The single market: A short history

In June 1985, the Commission published a [white paper on the completion of the internal market](#), setting out a timetable for the measures required for the completion of the single market. The [Single European Act](#) (SEA) was signed in February 1986 and entered into force in July 1987. The SEA paved the way for the completion of the single market ('an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured') over a period up to the end of 1992. On 1 January 1993, after the adoption of nearly 280 pieces of legislation, the single market came into force for 345 million people in the 12 Member States. Often considered the 'cornerstone' of European integration, the single market covers a considerable range of policy areas. Single market legislation still represents nearly half of all EU legislative acts (Figure 1). Iceland, Liechtenstein and Norway belong to the single market under the [European Economic Area](#) (EEA) Agreement, and Switzerland also forms part of it by means of [bilateral agreements](#). As of 1 January 2021, the United Kingdom [left](#) the EU single market.

Figure 1 – Share of EU single-market legislation in all EU legislative acts (dotted line), 1953-2019.



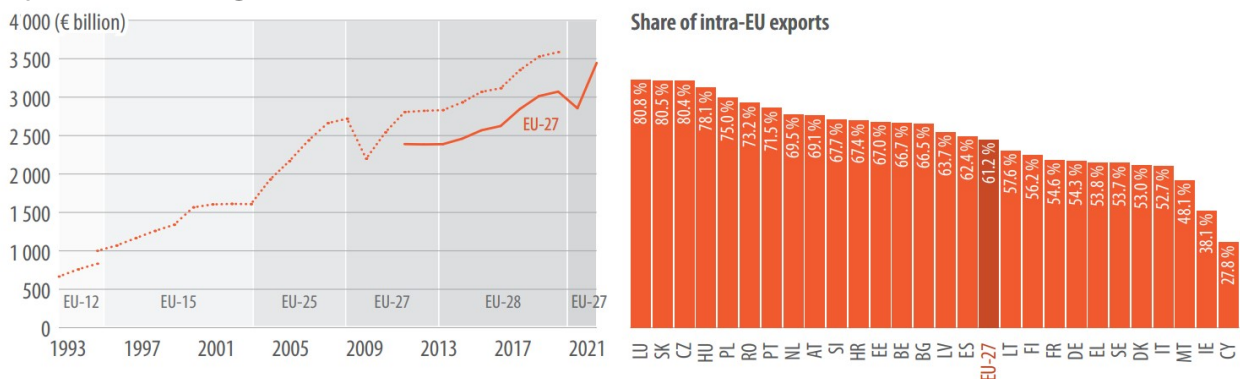
Source: [Conclusions from the Academic conference on the 30th anniversary of the establishment of the single market](#), 7 December 2022.

The EU hosts the [largest](#) single market in the world. Home to 345 million people in 1993, it now numbers 447 million consumers and 23 million companies. The Commission has [stressed](#) that trade within the single market accounts for 56 million European jobs, and that the estimated economic benefits of the single market range between 8% and 9% of EU gross domestic product (GDP). Trade between Member States has risen steadily over the years.

The share of intra-EU exports varies between Member States. For some countries more than 80% of their trade is with other Member States (Figure 2). [In 2021](#), intra-EU exports in goods were worth €3 428 billion, intra-EU exports in services were worth €965 billion, and intra-EU investments were worth €8 163 billion. Furthermore, in the EU-27, 3.7% of employees have citizenship of an EU country other than the one in which they work, and 2.4% of tertiary level students are from an EU country other than the one in which they are studying.

The economic importance of the single market, combined with the EU regulatory leadership and its ability to shape international standards in line with EU values, interests and legislation gives rise to what is sometimes referred to as the '[Brussels effect](#)', through which the EU is able to project its interests globally as some third countries adopt 'EU-style regulations'.

Figure 2 – Evolution of exports of goods between Member States (left) and share of intra-EU exports in 2021 (right)



Source: [EPRS](#), January 2023.

## An unfinished journey

Although the single market has generally been a success story, there are still challenges. It is [estimated](#) that improvements to the single market for goods could generate between €183 billion and €269 billion annually, while further integration of services markets could bring gains of €297 billion a year. The benefits to the EU economy stemming from completing the digital single market could meanwhile reach at least €110 billion. In March 2020, the Commission identified the [top 13 barriers to cross-border activity](#), as most commonly reported by consumers and businesses (such as burdensome and complex administrative procedures), and five main root causes for these barriers (such as inadequate enforcement of EU legislation). The Commission and the Member States are taking specific actions and horizontal measures under a long-term [action plan](#) for better implementation and enforcement of the single market. The Commission has also set up a [single market enforcement task force](#) (SMET) to improve the implementation and enforcement of single market freedoms. In 2021 and 2022, the SMET [worked](#) on cross-border restrictions for professionals, permitting procedures for wind and solar energy projects, administrative requirements for cross-border service providers, liability insurance problems for the provision of cross-border services, and barriers in the ecosystem of electric vehicle charging stations. The SMET supplements other enforcement instruments, such as infringement procedures, [SOLVIT](#), and preventive mechanisms, such as the notifications procedure for technical regulations under the [Single Market Transparency Directive \(EU\) 2015/1535](#).

## Strengthening the single market

Thirty years after it was launched, the single market is still evolving, with current examples including the adoption of the [Digital Markets Act](#) and the [Digital Services Act](#). Recent shocks, however, including the pandemic and Russia's war on Ukraine, have resulted in restrictions to free movement, shortages of goods and services, and rising energy prices. This has shown not only how vulnerable the single market can be to crises, but also the extent to which the EU economy relies on a fully functioning single market. What is more, a healthy single market can reinforce the EU's resilience and response to future crises. In their December 2022 [joint declaration](#) on the EU's legislative priorities for 2023 and 2024, the Parliament, Council and Commission committed to make strengthening the single market a top priority in 2023, and until spring 2024, including by working on the proposal for a [single market emergency instrument](#) – a 'safety net' for the functioning of the single market – and on improving conditions in [platform work](#). Beyond the ordinary legislative

procedure, the three institutions committed to work together to deepen the single market by removing barriers and filling gaps, especially in the services sector.

In May 2022, the plenary of the [Conference on the Future of Europe](#) proposed to deepen the single market further (proposal 12). Among measures to achieve this objective, it recommended enhancing upward social and economic convergence in the single market (measure 4) and ensuring that consolidating and protecting the single market remains a priority. It also wished to ensure that EU and national measures and initiatives are not detrimental to the single market but contribute to the free flow of people, goods, services, and capital (measure 20). Proposal 35, meanwhile, stressed the need to enhance the digital single market for companies of all sizes.

## European Parliament views

On 18 January 2023, Parliament adopted a [resolution](#) on the '30th anniversary of the single market: celebrating achievements and looking towards future developments'. The resolution notes the importance of the single market as the engine of European integration and backbone of the EU economy, as well as its role in bringing EU citizens together. The text also argues that none of the four freedoms should be left behind. It goes on to stress the Member States' key responsibility for implementing and enforcing existing single market legislation correctly, and urges the Commission to address unjustified barriers hampering realisation of the single market's full potential. In addition, the resolution calls for the renewal of the promise of the single market by updating it, supporting companies and consumers in the twin transitions, protecting consumers and the environment, and increasing funding for single market policies. Furthermore, while reaffirming Parliament's readiness to play its role in the process, the text demands renewed commitment from the Member States and the other EU institutions, as well as a specific agenda for action towards 2030 and beyond, to strengthen and develop further the single market, particularly in areas such as services, energy, telecommunications and the digital single market.

## Towards further integration of the single market?

On 16 March 2023, the Commission put forward a communication on the [single market at 30](#), in which it discusses possible ways forward towards further integration of the single market. It proposes to address barriers in the sectors most relevant for the economy, such as services, capital, energy, digital and data markets. The Commission also highlights the need to improve rules enforcement in the sectors with the highest untapped potential, such as business services, retail, construction and tourism. Another area for action is the need to improve the transposition and implementation of EU rules, cut red tape and create an 'enabling' business environment.

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