



2024 EUROCHAMBRES
SINGLE MARKET SURVEY:

**OVERCOMING
OBSTACLES,
DEVELOPING
SOLUTIONS**

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Foreword

30 years on from its creation, the European single market stands at a crossroads of unprecedented challenges and opportunities. The “2024 Eurochambres Single Market Survey: overcoming obstacles, developing solutions” provides insight into the barriers and potential answers from a business perspective. The analysis contained within these pages is not merely a compilation of graphs and figures. It is a call to action, urging EU institutions to work with chambers of commerce and industry and their millions of business members to maximise the positive impact of the single market.

The report identifies three key factors that will be crucial to maximising the single market’s positive impact. Firstly, it highlights the difficulties for businesses of dealing with diverging legal practices and costly regulations, particularly in a context of unpredictable economic conditions. It is striking that companies of all sizes are contending with the same barriers that existed 20 years ago, yet their resilience is underscored by accepting legal complexity as a necessary evil and the single market as a maze. It is a narrative that demands attention and immediate redress.

The second factor, equally important, underscores how crucial it is not to merely maintain the status quo, but to improve on it. Entrepreneurs are shouldering a burdensome compliance load not out of choice, but out of necessity. The path ahead is clear: the European Commission, the European Parliament and the Council must not only acknowledge the barriers that affect free movement but endeavour to remove them.

The report also shows that the solutions to these challenges extend beyond mere technical or digital adjustments. As such, the third factor is the need for EU lawmakers and leaders to urgently examine the cumulative impact of legislation on businesses, especially SMEs. By embracing an ambitious and forward-thinking approach, the EU can not only streamline bureaucratic processes but also focus on implementing a European regulatory burden reduction strategy that drives Europe’s competitiveness in the years to come.

While ‘single market fatigue’ has been identified as an obstacle to progress at political level, this is not the case across the business community given the transformative effect of free movement across Europe in many aspects of commercial operations. There is, though, a sense of **single market fatalism** among entrepreneurs who have become resigned to certain enduring barriers and challenges in doing business across borders.

Chambers call on the EU institutions to help tackle the root causes of this fatalism: work with businesses to unlock the full potential of the single market and to boost Europe’s growth and international competitiveness.



Vladimír Dlouhý
President of Eurochambres

Executive summary

“2024 Eurochambres Single Market Survey: overcoming obstacles, developing solutions” presents a comprehensive evaluation of the barriers encountered in doing business across borders, shedding light on the obstacles hindering Europe's free movement. The findings demonstrate enduring market fragmentation, emphasising the urgent need for strategic interventions to propel economic growth.

Key business barriers identified include disparate contractual and legal practices, varying national service rules, and limited accessibility to information on differing rules/requirements. These are just some of the challenges contributing to a fragmented landscape for companies.

In the pursuit of a better functioning single market, business owners and entrepreneurs advocate for practical solutions. First, the reinforcement of centralised online portals that offer comprehensive and easy-to-obtain information for trading in the single market followed closely by streamlining bureaucratic processes, cutting red tape and mitigating reporting obligations. The report also underscores the importance of recognising and accommodating the unique challenges faced by SMEs. Finally, the report validates the fundamental role of European chambers of commerce and industry have in advising companies, making them more informed and strategic.

Introduction and methodology

This report presents the findings of a comprehensive survey, conducted with the support of national chambers of commerce and industry between 4 September and 20 November 2023, which captures the insights and perspectives of 1004 business owners and entrepreneurs across all EU member states. The survey was designed to allow a nuanced understanding of the challenges affecting companies by scrutinising the responses according to sector, size and trading practices in the single market.

Similar surveys were conducted by Eurochambres in 2015 and 2019. The new edition contained an expanded list of obstacles and possible solutions and included additional questions on critical areas – costs of regulation and administrative procedures – allowing the respondents to articulate their perspectives with greater granularity and for Eurochambres to delve into the findings with unprecedented detail. The options “extremely significant” and “significant” were combined to better reflect the intensity of the problem/solution. The [annex](#) contains a detailed breakdown of percentages for each category, complementing the key results presented in this report and allowing for a more thorough examination of the data.

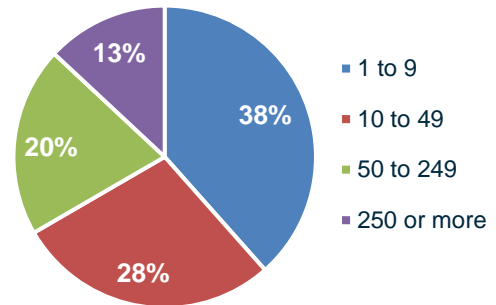
The survey findings contribute to efforts to enhance the overall efficiency of the single market by providing valuable insights into the practical challenges and needs of businesses and by enabling targeted policy responses. Aligning regulatory decisions with the realities of market operators, regardless of their size, is fundamental for fostering an ecosystem conducive to growth. By factoring these findings into policymaking, EU institutions can focus on untapping the potential of the single market, address long-lasting obstacles, facilitate free movement, and lay the ground for a resilient and fit-for-business future.

1. Profile of respondents

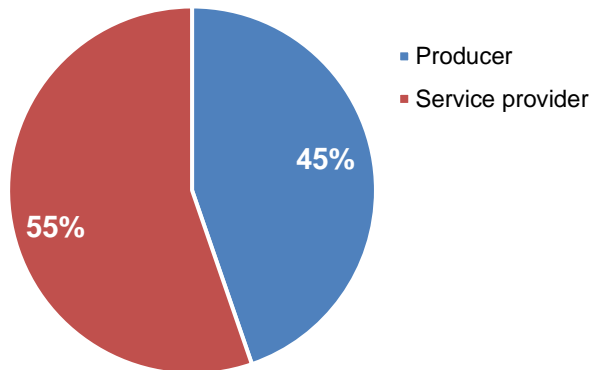
55% of survey respondents are service providers and the remaining 45% are producers of goods. In terms of company size, 87% are SMEs while 13% represent large companies and, when it comes to cross-border activities, 67% of the respondents make use of the single market while 18% do not yet trade cross-border but would like to. The remaining respondents do not consider trading anywhere other than the member state in which they are based.

37% of the respondents offer their products or services online, representing an increase when compared to the previous survey undertaken by Eurochambres, while 63% do not¹. When it comes to the sector of activity, the largest number of respondents work in manufacturing, followed by retail/wholesale, IT and technology, healthcare and pharma, and professional services (e.g. accounting, architecture, law, among others).

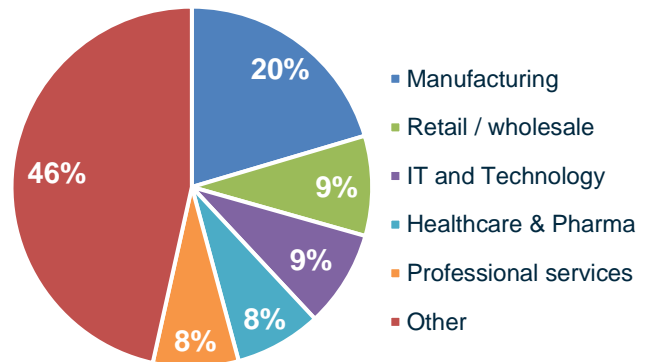
Company size



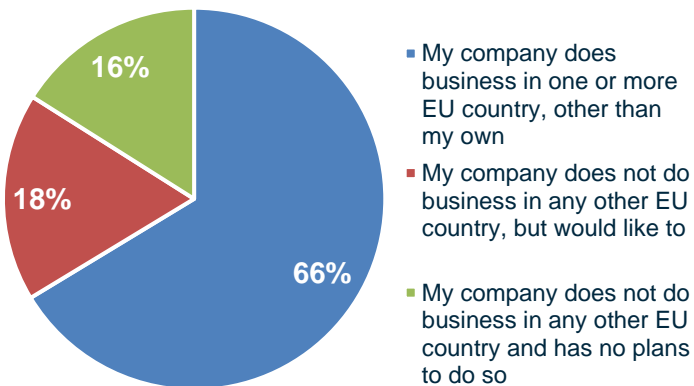
Type of activity



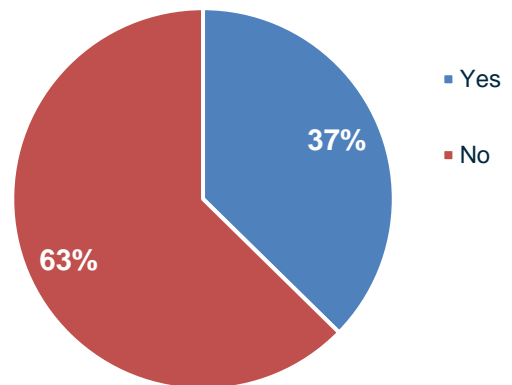
Top 5 sectors



EU Single Market activity



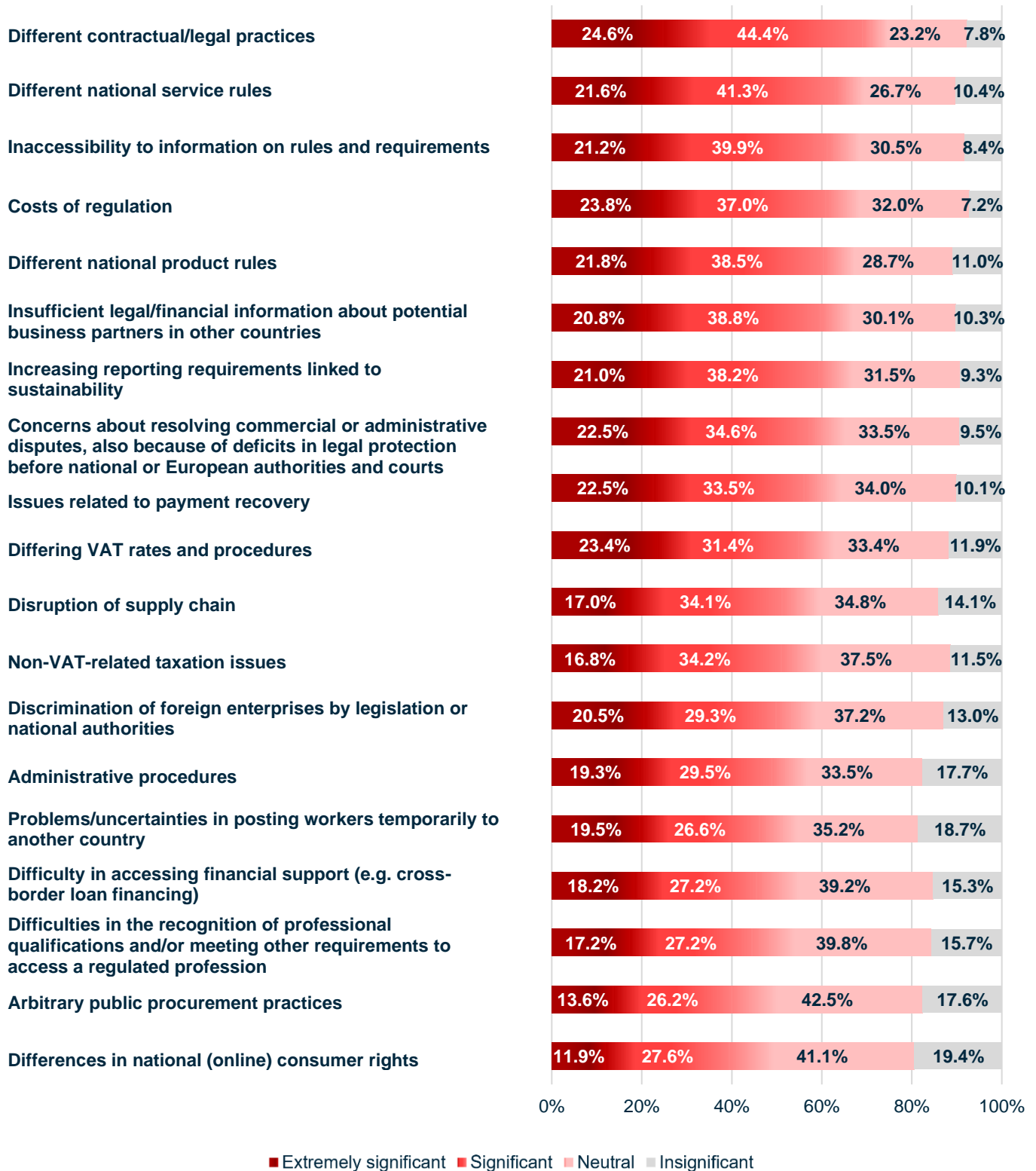
Online sales



¹ <https://www.eurochambres.eu/wp-content/uploads/2020/08/Business-Survey-The-state-of-the-Single-Market-Barriers-and-Solutions-DECEMBER-2019.pdf>

2. Single Market Obstacles

2.1 Ranking of single market obstacles



The graph above identifies the most important obstacles affecting European businesses and shows that the fragmentation of the single market is still a long-lasting problem in the EU's economic integration.

Businesses are particularly concerned with heterogeneous rules on contracts, guarantees, remedies and litigation in cross-border sales followed by complex rules, terms and conditions in the provision of both goods and services. The uncertainty and complexity associated with obtaining information and understanding different regulatory requirements, especially for SMEs, as well as diverging technical standards undermine the very purpose of the single market. Most of these barriers had already ranked highly in the 2019 report.

Business owners say:

“Freedom of movement in the provision of cross-border services is obstructed by restrictive practices.”

“Reporting obligations are time-consuming and a killer for SMEs.”

“Territorial supply constraints limit the free movement of goods.”

“The fragmentation of rules related to packaging is a concern.”

Other important barriers such as costs of regulation (cf. point. 2.5), the difficulty in obtaining information about possible partners in other member states, the resolution of legal disputes, cross-border payments and differing VAT rates and procedures most certainly discourage companies from exploring new business opportunities. At a more granular level, costs of regulation is the top concern for healthcare/pharma companies. Increasing sustainability reporting requirements is particularly significant for producers and for those companies selling online (cf. pages 2, 5 and 6 in Annex).

2.2 Ranking of top 5 obstacles according to size of company

	Micro-enterprises (1-9 employees)	Small enterprises (10 – 45 employees)	Medium-size enterprises (50-249 employees)	Large enterprises (+250 employees)
1	Different contractual/legal practices	Different contractual/legal practices	Different contractual/legal practices	Increasing reporting requirements linked to sustainability
2	Different national service rules	Insufficient legal/financial info. About potential business partners in other countries	Increasing reporting requirements linked to sustainability	Different contractual/legal practices
3	Inaccessibility to information on rules and requirements	Inaccessibility to information on rules and requirements	Different national product rules	Different national service rules
4	Insufficient legal/financial info. About potential business partners in other countries	Costs of regulation	Issues related to payment recovery	Different national product rules
5	Costs of regulation	Different national product rules	Disruption of supply chain	Costs of regulation

The table above shows nuanced patterns, particularly evident in the slight variations among the top 5 obstacles faced by businesses according to their size. While different contractual practices are identified by micro, small and medium-sized companies as the most significant constraint, the increase in sustainability reporting obligations is particularly worrisome for large companies.

Despite the commitments of European businesses to more responsible conduct, the surge of EU legislation on sustainability is impacting companies' ability to stay efficient and competitive. The graph also suggests that reporting obligations are indirectly imposed on SMEs through a trickle-down effect. While many of the sustainability related regulations attempt to exempt smaller businesses from certain requirements, this approach often falls short of its intent. As the regulations emphasise comprehensive disclosures throughout cross-border supply chains, SMEs must also fulfil numerous requirements that are passed on by other market participants.

Finally, the inaccessibility of information on rules, requirements, and potential business partners located in another member state is of particular importance for micro and small companies.

2.3 Ranking of top 5 obstacles per level of cross-border activity

	Cross-border business	Not cross-border but would like to	Not cross-border and has no plans to do
1	Different contractual/legal practices	Different contractual/legal practices	Different contractual/legal practices
2	Increasing reporting linked to sustainability	Different national service rules	Different national service rules
3	Different national service rules	Inaccessibility to information on rules and requirements	Inaccessibility to information on rules and requirements
4	Costs of regulation	Concerns about resolving disputes and deficits in legal protection before EU courts	Costs of regulation
5	Different national product rules	Insufficient legal/financial info. about potential business partners in other countries	Insufficient legal/financial info. about potential business partners in other countries

Most survey respondents indicated that they already trade with another member state. However, when looking at the top 5 obstacles according to the level of internationalisation of the company, different contractual practices and the fragmentation of national service rules tend to prevail across the board. It is also important to note that concerns about dispute resolution and the overall lack of information about rules, requirements and potential partners seriously affect the decision for companies not to engage in cross border trade. The absence of information to trade cross borders induces companies to prioritise the domestic supply of goods and services but halts further single market integration.

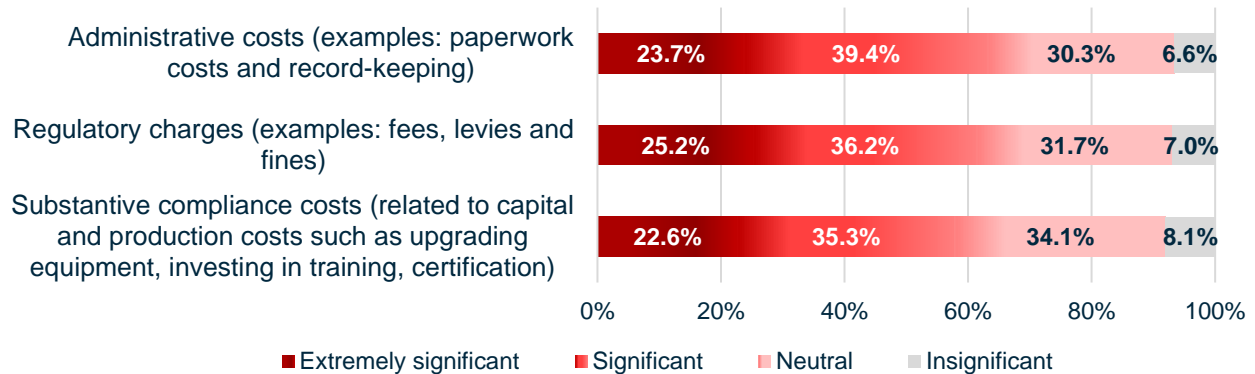
2.4 Ranking of top 5 obstacles according to top 5 sectors

	1. Manufacturing	2. Retail, wholesale	3. IT and Technology	4. Healthcare, Pharma and Biotechnology	5. Professional services
1	Insufficient legal/financial info. about potential business partners in other countries	Disruption of supply chain	Different contractual/legal practices	Costs of regulation	Different contractual/legal practices
2	Different contractual/legal practices	Different contractual/legal practices	Insufficient legal/financial info. about potential business partners in other countries	Different contractual/legal practices	Different national service rules
3	Increasing reporting requirements linked to sustainability	Inaccessibility to information on rules and requirements	Different national service rules	Different national product rules	Insufficient legal/financial info. about potential business partners in other countries
4	Different national product rules	Different national product rules	Costs of regulation	Increasing reporting requirements linked to sustainability	Difficulties in the recognition of professional qualifications and/or accessing a regulated profession
5	Disruption of supply chain	Issues related to payment recovery	Differing VAT rates and procedures	Inaccessibility to information on rules and requirements	Concerns about resolving disputes and deficits in legal protection before EU courts

The table above reveals that the top 5 obstacles vary significantly across the industry and emphasises the need for a more granular analysis in order to understand the sector-specific intricacies at play. While the most important barrier for cross border trade for manufacturers is the insufficient information about potential business partners, retailers/wholesalers are particularly worried about the disruption of supply chains, echoing the worst moments felt by companies during the pandemic, and indicating possible apprehension with the integrity of logistics or potential changes in consumer behaviour.

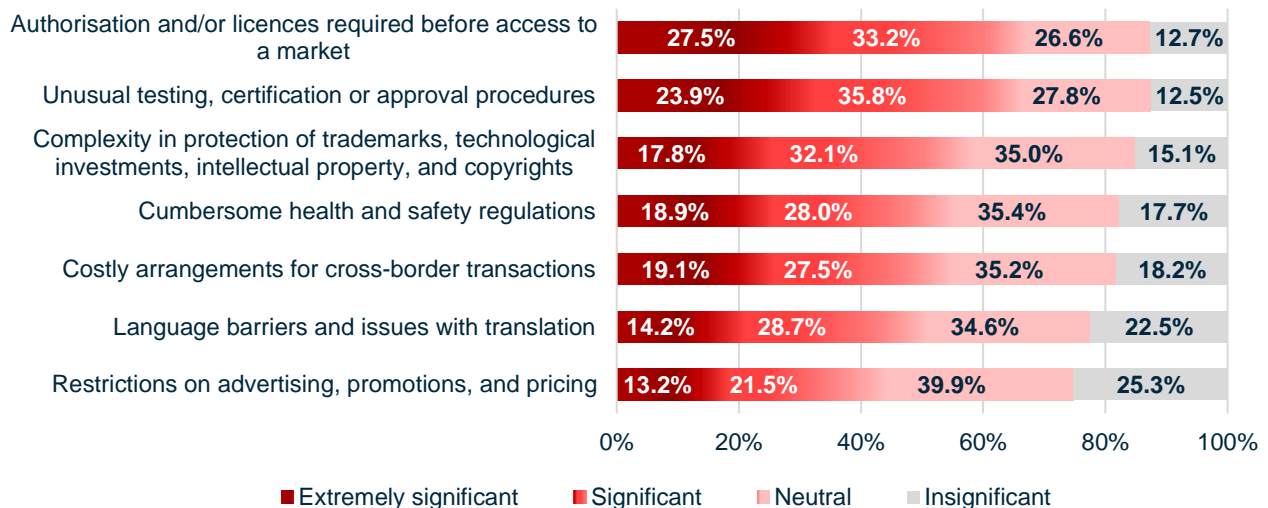
Businesses in the health, pharma and biotechnology sectors acknowledge the costs of regulation as being particularly striking, whereas the reduction in the profit margins due to increasing costs may have a direct impact on R&D&I investment decisions and affect Europe's competitiveness in the field. Professional service providers diverge slightly by highlighting difficulties in the recognition of professional qualifications and/or meeting requirements to access a regulated profession" as part of the top 5 obstacles. There is potential to enhance the creation of growth and jobs in member states by eliminating restrictions and burdens linked to the free movement of workers/professionals.

2.5 Costs of regulation



Looking more closely at the fourth most important obstacle in absolute terms – costs of regulation – we observe three different options yielding strikingly comparable results in terms of incurred costs for businesses. However, it is clear that administrative costs is the most significant obstacle therefore EU lawmakers must be attuned to the fact that the increase in regulation is accompanied by additional red tape and bookkeeping. Handling an increasingly high volume of record-keeping and paperwork demands more time and manpower from companies. Companies also reported that these costs result in operational slowdown and competitive disadvantage.

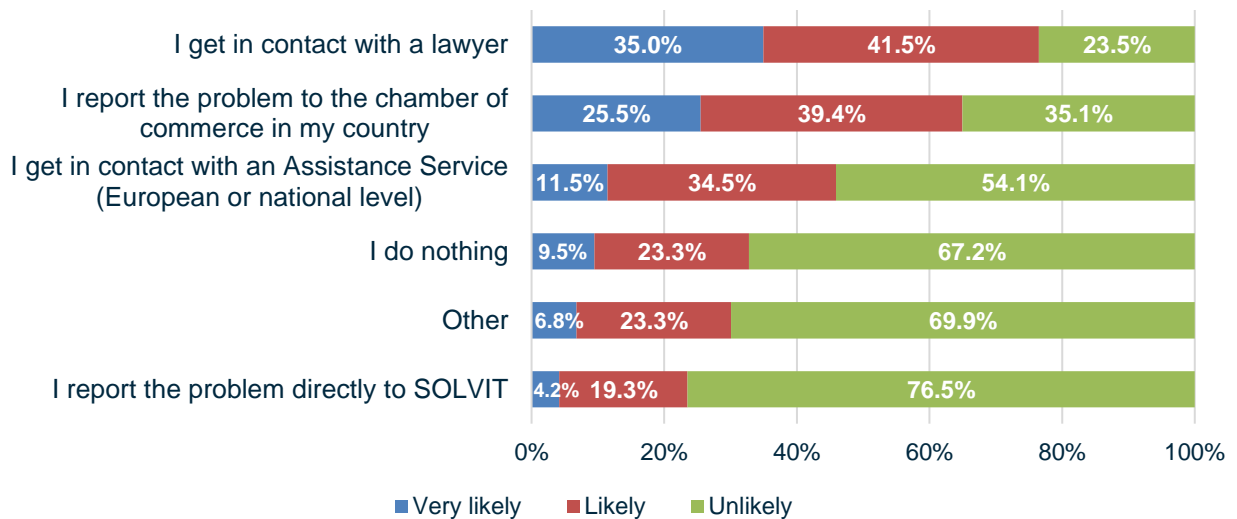
2.6 Administrative Procedures



“Administrative procedures” ranks number 14 in the total number of obstacles, representing a significant drop when compared to the previous Eurochambres survey in which it placed first. This obstacle remains quite significant if we consider the multitude of procedures that businesses face, despite the European Commission's efforts to better frame intangible assets, streamline cross-border payments or deal with territorial supply constraints.

Recognising the need for a more granular view, this item was subdivided into distinct components under the broader umbrella of administrative procedures. The careful examination of these elements shows that businesses are largely worried about burdensome pre-market authorisations and licences, the unfamiliar testing, certification or approval procedures which are needed to assess or validate products or services put on the market. Business owners also face the complex challenge of protecting trademarks and intellectual property rights in an ever-increasingly digital world.

3. What businesses do when confronted with an obstacle



The survey results reveal a prominent trend among businesses facing obstacles when trading cross-border, as a large majority prioritise legal counsel as their initial recourse, followed closely by the engagement with chambers of commerce and industry. This underscores the critical role that both legal guidance and the chamber expertise play in dealing with specific challenges in the single market.

The importance of seeking European and national assistance services such as the Enterprise Europe Network appears slightly undervalued, with some businesses opting instead for inaction and risking potential litigation. The category “other” shows that some businesses may undertake less conventional paths to solve obstacles, emphasising their capacity for out-of-the-box thinking and resisting more traditional problem-solving approaches.

Reporting problems to SOLVIT ranks low, indicating a need for increased awareness of this EU tool.

4. Single Market Solutions

4.1 Ranking of single market solutions

Better and clearer information on a single, multi-language EU online portal concerning all necessary procedures and formalities to operate in another EU country

Cutting red tape e.g. extensive reporting obligations

Take greater account of the impact of new regulations on SMEs

Administrative simplification for trading goods and services across the EU by making available a maximum number of procedures through an online web portal

Harmonisation of national regulations and standards such as product design and licensing requirements

Improve implementation of EU law via more cooperation between member states and Commission on enforcement

A standardised EU-wide VAT declaration in your native language

A single point of contact in the home country, certifying your company's eligibility to provide services in your home country, facilitating cross-border proof of eligibility

Ensure better legal protection before national and European authorities and courts in case of breaches of EU rules

Harmonisation of rules on data protection, copyrights and e-commerce and removal of barriers to simplify access by consumers and businesses to digital goods and services

A single corporate tax rulebook for the EU

Increase the level of digitalisation of companies, including e-commerce, to facilitate cross-border sales

Promotion of initiatives in support of internationalisation and provision of information about potential business partners in the EU

A single EU-wide repository to enter company data required for public tenders processes

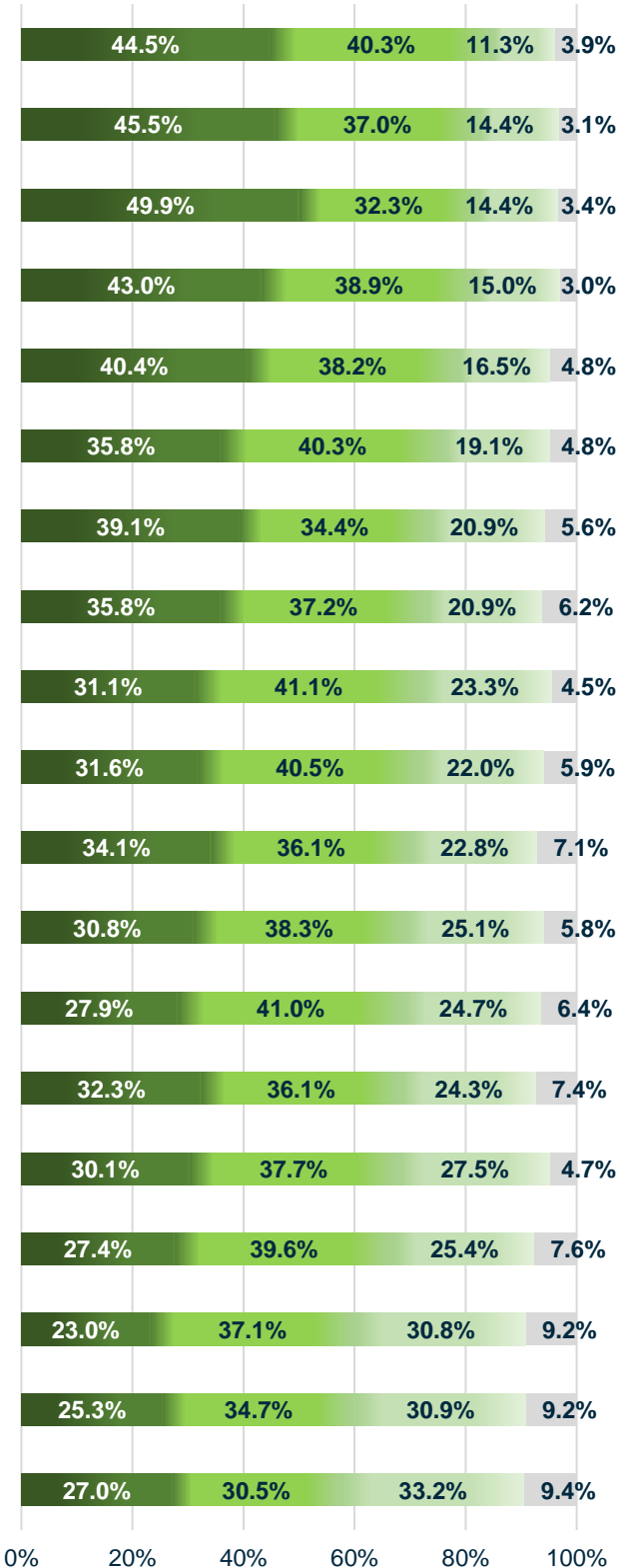
Increase action against national measures that make it more difficult for foreign companies than domestic ones to establish themselves on their local market

Harmonisation of national regulations on (online) consumer protection

Introduction of digital product passports to share information that is key for products' sustainability and circular economy

Easier cross-border access to regulated professions

Discontinue A1 portable document forms for business trips abroad



■ Extremely significant ■ Significant ■ Neutral ■ Insignificant

As indicated in the previous graph, companies would highly welcome solutions that simplify operational processes, reduce fragmentation of rules and standards and enhance the overall ease of doing business, especially for SMEs.

The respondents indicated that strengthening current EU digital tools and cross-border e-government services, like the Once-Only Technical System (OOTS), would simplify administrative procedures and minimise red tape. This would also support them in obtaining information, managing paperwork, applying for licenses or public procurement contracts, and meeting regulatory requirements more efficiently. The Single Digital Gateway, Points of Single Contact, and SOLVIT already enable easier access to information, potentially reducing businesses' compliance costs, enhancing productivity, and allowing them to concentrate on their core operations. A concerted effort to better communicate and disseminate about these EU assistance services will improve their effectiveness and recognition among the business owners.

A majority of respondents also considered it was highly significant to give more attention to the distinctive regulatory challenges faced by SMEs. Finding a balance between ensuring legal compliance and facilitating the growth of entrepreneurial activity involves crafting a future-proof regulatory framework. This could be achieved by conducting appropriate impact assessments, engaging with business representatives, allowing exemptions, lighter regimes, more flexibility and sufficient time for companies to adapt.

The Single Market Enforcement Taskforce (SMET) plays a role in pushing for better implementation and enforcement of EU laws however more could be done in this area. Infringement procedures, which have significantly declined during the current Commission mandate, still serve as the most powerful tools to rectify single market breaches. Furthermore, faster response mechanisms would allow the Commission to prevent market distortions and address member states' gold-plating practices.

Respondents believe that, in a context of uncertainty and risk, additional financing sources are crucial to support companies' digital transformation, e-commerce and internationalisation efforts. More investments in these areas will allow businesses to build a skilled workforce, ensure compliance with data protection rules, develop more customer-friendly interfaces, and improve the efficiency of supply chains.

A stronger single market should also build on the role of taxation and VAT as enablers of cross-border activities. The survey results confirm that more convergence in the areas of taxation and VAT declarations in the national language would be beneficial to European entrepreneurs.

Business owners say:

“Nowadays there are 27 completely different systems. Businesses need a harmonised single market!”

“Bureaucracy must be reduced and the standards of products and services must be strengthened”

“Start-ups need more financial support in the form of funds/grants”

“I need more support and guidance for the green transition”

5. Key recommendations

- Revitalise the political commitment for a stronger single market and position it as the main driving force for economic dynamism and job creation across Europe. EU institutions must lead with purpose and completely dismantle all technical barriers to cross-border trade and investment.
- Maximise the potential of the “once only principle” by reinforcing the sharing of information between national authorities and centralise the maximum number of administrative procedures in an easy-to-navigate EU online portal in order to streamline free movement.
- Take a bold stance to slash red tape and make intra-EU business transactions easier and simple. The EU must adopt a mechanism that significantly offsets regulatory costs.
- Transform the single market into a launchpad which empowers SMEs to innovate, outshine competitors and become frontrunners in their field. EU institutions should further develop SMEs' access to financial resources, whether through grants, loans or capital markets. SMEs also require tailored assistance to explore public procurement opportunities and clear guidelines to fully engage in public-private partnerships.
- Improve the regulatory environment for companies to strengthen Europe as a competitive business location. The reduction of regulatory costs and burdens for companies should be tangible. To achieve such an objective, administrative procedures should be streamlined. Simultaneously, the frequency of required notifications should be drastically reduced.
- Adhere to the Better Regulation guidelines to ensure fit-for-purpose legislation. Newly negotiated EU legal texts oftentimes lead to unintended consequences for European businesses and the single market. Co-legislators should systematically implement competitiveness checks on new Commission proposals and reality checks before the transposition process of new legislation. Quantification of the expected compliance costs and reporting obligations should be always presented clearly and concisely.
- Foster a culture of proactive implementation and enforcement of EU laws and establish rapid response mechanisms to address infringements promptly. SMET plays an important role when tackling cross-border barriers and should be significantly enhanced with the possibility for business stakeholders to collaborate more closely. However, the real game-changer for the single market is not in accumulating more rules but in correctly applying the existing ones.
- Increase integration of the single market for cross-border services. This could be achieved by solving administrative bottlenecks and time delays, namely in the area of posting of workers. The introduction of exemption periods, uniform reporting structures and real-time calculators for the remuneration of these workers is highly welcomed.

- Improve the recognition of qualifications and validation of skills, in order to facilitate learning and working mobility within the EU and take full advantage of the potential of the single market. EU institutions must continue to support a multi-stakeholder approach to improve the transparency and comparability of skills and qualifications, to foster the interoperability of recognition and validation systems, and to increase their responsiveness to labour and technological changes.
- Galvanise the interest of public opinion in the single market by better communicating about its benefits. This could be achieved twofold: safeguarding more EU funding for awareness-raising projects and advice campaigns on EU rules e.g. Consumer Law Ready², and engaging with the business community to extend the reach of problem-solving tools e.g. SOLVIT.
- Unlock the future of sustainable and digital transitions by creating a stable and predictable business environment, attracting sizeable private investment and foreign capital, and boosting investor confidence. The Commission must encourage member states to further deepen cross-border capital flows, encourage the participation of retail investors and channel more financial support to key enabling technologies.
- Finally, greater harmonisation of rules and standards – e.g. through properly enforcing the principle of mutual recognition and better aligning new legislative proposals with the existing New Legislative Framework – will consolidate the level-playing field and guarantee fair conditions in the single market. The '1 in, 27 out' mantra can only be realised if the EU legislation brought in to replace national rules is business friendly.

Annex

The questionnaire, full list of graphs and additional information can be found in the annex - [click here](#) or scan the QR code below.



² <https://www.consumerlawready.eu/>

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