



**MINISTRY OF INDUSTRY, BUSINESS  
AND FINANCIAL AFFAIRS**

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## **Danish contribution to the Commission's Call for Evidence on the Horizontal Single Market Strategy**

Strengthening The European Single Market is a corner stone in the efforts to improve European competitiveness. The Danish Government welcomes the initiative to develop a horizontal Single Market Strategy by June 2025, which should improve the functioning of the Single Market to the benefit of European companies and citizens.

The Single Market is one of the EU's biggest assets to boost competitiveness with its more than 23 million companies and 440 million consumers<sup>1</sup>. Without an effective Single Market, industrial activities and production will not thrive in the EU. The Single Market can propel the green and digital transitions, which must be a driver for competitiveness giving EU companies an edge in the global race. We need to tap into the potential of the Single Market using it as catalyst and driver of European competitiveness.

The Commission estimated in its communication "The Single Market at 30" that up towards EUR 713bn could be added to the European economy by the end of 2029 if remaining barriers to the Single Market for goods and services are eliminated<sup>2</sup>. This underscores the importance of continued efforts to enhance enforcement of Single Market rules at both EU and national levels and to continue work on removing barriers to the free flow of goods and services.

Based on this we encourage the Commission to include the following in the Single Market Strategy.

### **Reduce regulatory burdens through digitization, standardization and automation**

First, the strategy must contribute to reducing the regulatory burdens on companies, not least SMEs. This should be done by simplifying existing rules and seizing the potential of digital tools, data sharing infrastructure

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<sup>1</sup> [Single Market at 30, 16.3.2023.](#)

<sup>2</sup> [Single Market at 30, 16.3.2023.](#)

and standardization to make it easier for companies to comply with reporting requirements and thereby contribute to reaching the objective of reducing reporting obligations by 25 percent (35 percent for SMEs).

Making the best of digital tools, the European Digital Identity Wallet should play a prominent role considering its potential to reduce administrative burdens and costs, enable smoother cross-border data sharing and digital transactions, and ease compliance with reporting requirements.

To achieve these goals, the Commission should propose an ambitious horizontal action plan for reducing administrative burdens, including mapping reporting requirements to make a baseline, outlining a roadmap of next steps and including measures for regular follow-up on results.

A fundamental part of the action plan should be to establish a common EU approach on how to make digitalisation, standardisation, and automation a core driver for burden reduction for businesses, which can then be applied broadly across the various regulations that businesses are required to report on.

**Remove barriers to the free movement of goods and services**

Second, the strategy must contribute to removing barriers to the free movement of goods and services so that companies, not least in areas with high growth potential, can reap the full benefits of a market with more than 400 million consumers. This involves addressing lacking or ineffective implementation and gold plating of EU rules. The notification of national technical regulations is an important tool in this regard and we must safeguard the existing notification procedures to avoid new barriers on the Single Market.

### **Update the New Legislative Framework and broaden the use of mutual recognition**

The NLF remains the foundation for the free movement of goods and has served as a well-functioning and fit-for-purpose framework for harmonised product regulation. However, it must be adapted and strengthened with specific aims to meet future challenges, ensuring the safety, security, and compliance of products throughout their lifecycle. In doing so, we should avoid unnecessary administrative burdens and aid businesses in their green and digital transitions fostering their resilience. Moreover, within the non-harmonised area we should ensure the continued use of mutual recognition when applicable, while broadening the knowledge of the principle.

### **Solve the responsibility-gap in global e-commerce**

During the last decade, consumer habits in the Single Market have changed significantly and new business models have emerged that threaten the competitiveness of European economic operators. Today, many goods are shipped directly to consumers from outside the EU. With limited obligations to ensure compliance regarding safety, social responsibility and safety, online marketplaces act as a gateway for third country sellers to place their products on the EU-market from a distance without a traditional importer acting as an intermediary. This results in a compliance deficit as no economic operator can effectively be held responsible for the compliance of products within the current legal framework.

Although initiatives to solve the challenges have been taken in the Digital Services Act and gradually in the General Product Safety Regulation and the Ecodesign Regulation, the compliance deficit remains. All in all, the current legislation regarding compliance of products is no longer fit for its purpose of ensuring the competitiveness of responsible economic operators, keeping consumers safe and thereby maintaining a strong Single Market.

To solve the growing issues, the responsibility gap in the current product legislation must be solved and updated and online marketplaces must be given obligations that match the key role they play in the current market.

### **Enhancing the enforcement of the Single Market rules strengthening infringement procedures**

Enforcement of the Single Market rules is a key instrument in addressing unjustified barriers and fragmentation of the Single Market. Concentrating on the proper enforcement and addressing unjustified barriers that significantly impede the Single Market's functioning and the European economy could greatly enhance the benefits of the Single Market for companies. We therefore suggest taking a targeted approach to enforcement focusing on the breach of rules with a significant impact on the free movement, building assessments of economic impact, resource availability, or its broader impact on other areas on the European cohesiveness inspired by the Single Market Scoreboard.

In addition to the Commission's work addressing infringements, we can build on and strengthen existing instruments such as SOLVIT and SMET to ensure an efficient follow-up on structural barriers.

### **Detailed contributions**

In the Call for Evidence the Commission requests input on the barriers and challenges affecting the operation of the Single Market as well as possible

initiatives to address them. To this effect [Five] non-papers addressing the issues highlighted above are provided as annexes to this contribution:

- Danish non-paper on Building the reporting landscape of the future.
- Roadmap for contributing to 25 % burden relief through automated reporting.
- Danish technical paper on the revision of the New Legislative Framework.
- Non-paper on enhancing the enforcement of the Single Market rules by strengthening infringement procedures by Denmark.