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Almega welcomes the upcoming Single Market Strategy and looks forward to the presentation of the proposal later in June this year. The free movement of services, goods, people and capital is a cornerstone of the European Union and a great success in terms of jobs, prosperity, and economic growth. Deepening and strengthening the single market is essential to boost long-term competitiveness and productivity in Europe.

Therefore, it is particularly alarming that integration in the Single Market has slowed down, as shown by the European Commission's new Annual Single Market and Competitiveness Report.¹ Hence, a new horizontal Single Market Strategy to further deepen and simplify the single market is warmly welcomed.

The main priority for the Commission in their work ahead should be at the core of the single market, namely the freedom of movement for services, goods, people, and capital. Especially services, where the problem with regulatory burden and red tape is notably extensive. Despite the fact that services account for about two-thirds of the private sector in the EU, both in terms of employment and value added, the single market for services performs well below its potential, especially in relation to the trade in goods.² While the trade in goods as a share of EU GDP has increased from 11 to 23 percent, the service trade has only increased from 3 to 6 percent.³ The cross-border trade in services is less than a third of that in goods, and contrary to the trade in goods, the services trade with EU countries is not any bigger than with non-EU countries.

The obstacles to trade in services are as diverse as the services themselves, but the main problem derives from the extensive regulatory burden around Europe. The overall regulatory burden stops service companies from even considering expanding their business to Europe or seconding staff abroad. There is no simple solution to this problem or a quick fix.

¹ [European Commission \(2025\), Annual Single Market and Competitiveness Report.](#)

² Eurostat (2025), and own calculations.

³ [Almega \(2023\) "Wither the vine – The unfulfilled EU Single Market for services"](#)

Mainly because the gross regulatory burden is a result of numerous different regulations, different interpretations, and varying enforcements on different levels – EU, national, regional, and municipal – across 27 different member states. This also makes it difficult for service companies to even identify which specific rules or regulations constitute the issue. Most service companies are small- and medium-sized enterprises and therefore do not work with the legal framework on a day-to-day basis. More uniform implementation and enforcement of legislation is key to facilitating the function of the single market.

Hence, the following three proposals would be valuable for the EU-commission to consider as part of the upcoming work with the Single Market Strategy:

Conduct a comprehensive assessment and create an action plan to complete the implementation of the Services Directive.⁴

The Services Directive must be fully implemented. Despite coming into effect in 2009 with the purpose of facilitating the free movement of services, no more than 60 percent of the barriers and obstacles that existed 20 years ago still exist.⁵ Hence, there is a lot of work yet to be done. The Commission should therefore make a comprehensive assessment of whether the Services Directive has been implemented, with a focus on mobility within the Single Market. This could, for example, be assigned to the Single Market Enforcement Taskforce (SMET). Once the assessment is done, the Commission should create an action plan based on the findings to streamline enforcement and conclude the implementation of the Services Directive.

Apply the principle of mutual recognition as a general rule for services.

In the case of the free movement of goods, the principle of mutual recognition⁶ is applied. However, this principle is not applied when it comes to services, which creates large trade barriers for services. Today, there are over 5,700 regulated professions around the union, and about 140 non-medical professions are regulated in only one EU country (such as florists in Luxembourg and wine tasters in Slovenia).⁷ To promote and facilitate trade in services, the principle of mutual recognition should apply to services as a general rule. As a first step, the Commission could start working towards reducing the number of regulated professions when regulated only in one or a few member states by urging Member States to increase mutual recognition of qualifications and skills at the national level and simplifying and de-bureaucratizing the processes.

Establish a fast-track procedure to the Court of Justice of the European Union (CJEU) for special cases related national rules infringing to the single market.

A level playing field that enables market actors to compete on equal terms is a fundamental condition for a well-functioning single market. Hence, it is a major concern that enforcement is uneven and weak around the EU, which also creates instability, unpredictability, and, in the worst case, risk of damaging the overall credibility of the single market. Rules and prohibitions are useless without effective and suitable enforcement. To toughen enforcement and speed up the process, we suggest that for specific legal cases relating to the single market, there should be a fast-track procedure to the CJEU. Furthermore, it should be possible to suspend national laws that are contrary to the single market from the inception of an infringement proceeding.

To conclude, it is important to have a wide holistic approach when designing the Horizontal Single Market Strategy. The function of the single market is not only limited to the specific legislation regarding goods and services. There are also other policy areas one must not forego or forget. For example, the single most important asset of service enterprises is individuals' competences, which means that free movement of people and flexible labor mobility is a prerequisite for an overall functioning single market. One must also not separate discussions about digital services from other services. The digital field is also subject to a large regulatory burden that needs to be reduced. For example, the General Data Protection Regulation (GDPR), AI Act, and the Data Act constitute a lot of legal uncertainty with different interpretations and potential overlaps. Access to data and data flows are key for Europe to be a global leader in digital innovation. Therefore, liberalizing the flow of data and harmonizing digital regulatory frameworks are essential steps to create one single market for data. Finally, a well-functioning trans-European infrastructure needs to be prioritized for the internal market to reach its full potential and to increase European resilience and competitiveness.

About us

Almega is the largest employers' organization in the private service sector. We represent 11,500 companies covering 60 service industries, employing more than 600,000 individuals. The Swedish private service sector accounts for more than half of Sweden's GDP and employs 2,5 million people.

The private service sector accounts a third of Sweden's exports and generates four out of five new jobs.