



Department for
Business, Energy
& Industrial Strategy

Lord Henley PC
Parliamentary Under-Secretary of State

Department for Business, Energy &
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Our ref: 9890/18

Lord Boswell of Aynho
Chairman
European Union Committee
House of Lords
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19th March 2019

Dear Tim

9890/18 Proposal for a regulation of the European Parliament and of the Council establishing the Programme for Single Market, Competitiveness of Enterprises, including small and medium-sized Enterprises and European statistics and Repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826.

I am writing to you to provide an update on EM 9890/18 on the proposed EU Single Market Programme.

On 29 November the Competitiveness Council formally supported a Partial General Approach on the Single Market Programme regulation. In January the European Parliament produced a report setting out a list of amendments to this regulation. These amendments were then voted on at a plenary session in Strasbourg on 12 February.

The Parliament adopted the proposed amendments by 520 votes to 125. The amendments adopted at first reading include: a stronger focus in the programme objectives on market surveillance, sustainability and digital developments; the promotion of enterprise networks and scale-up measures for SMEs; actions to improve quality standards for consumers, including the issue of dual quality; and joint actions aimed at strengthening product safety, enforcement of consumer protection rules and product traceability.

Most notably, the amendments call for an increased financial envelope of €6.5bn (currently €4bn), which includes an allocation of €3bn (currently €1bn) towards strengthening the competitiveness of SMEs, plus specific allocations for both market surveillance and consumer protection.

However, having voted in favour of the amendments, the Parliament made the decision not to proceed any further in pursuing a partial agreement in trilogues with Council, and have closed the file for negotiation until the next legislature and the new European Parliament. Consequently, the UK will most likely be unable to further influence the shape of the regulations while we are a Member State. It is also unlikely that the regulation will be finalised in time for the Spending Review, when it was anticipated that a decision on future participation in the Single Market Programme would be made.

Nonetheless, BEIS officials will continue their engagement with colleagues across Whitehall with an eye to making a provisional decision on participation in the Single Market Programme. This will help to ensure that HMG is in as strong a position as possible when a final decision on programme participation is required in the future. An informed decision on UK participation will require the final detail of the Single Market Programme regulation and sufficient progress on the development of all EU programmes for the 2021-27 MFF. It will also be necessary to understand whether the elements of the Programme that are of the most interest to the UK could be more favourably accessed as part of the FEP negotiations.

I am copying this letter to the Chairman of the House of Commons European Scrutiny Committee, Sir William Cash, Les Saunders, DExEU, and to Callum Gray, Departmental Scrutiny Coordinator for BEIS.



Lord Henley
Parliamentary Under Secretary of State