

PRESS RELEASE - NEW POLICY BRIEF

Who Reforms for Higher Productivity?

Brussels, 29th March 2016 - With weak European growth performance over a longer period of time, it is time to push reforms raising the rate of productivity growth. The EU's best strategy for it is to cut restrictions for single market trade in the services sector. There are still major restrictions in place and services regulations differ substantially between EU countries. Reforming regulatory barriers that create excessive costs for production and trade in services is therefore key to improving productivity growth. Although some reform has taken place over the last year, changes in these regulatory barriers however have been marginal and much more needs to be done in order to create significant economic gains. As a result, there is a strong economic case for countries to reduce excessive regulation, find as much harmonisation in regulation that is possible, and instruct regulators to cooperate across countries to synchronize their regulatory systems in services.

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