

## Single market strategy

### Relevance for hospitality

27 May 2025

#### Summary

The Single Market Strategy, while not specifically targeting hospitality, offers benefits for the sector. HOTREC welcomes the focus on simplifying procedures and reducing costs for SMEs. The emphasis on impact assessments considering SME needs is encouraging. Adopting the Small Mid-Caps definition will improve access to EU funding. Additionally, the strategy's focus on mobility for travellers and workers will benefit the hospitality industry.

#### Background

On 21 May 2025, the European Commission published a new [Single Market](#) strategy to address its shortcomings. In a period of economic uncertainty and geopolitical instability, the EU wants to facilitate ways businesses invest and operate. The Commission proposes to reduce unnecessary burdens by extending exceptions applicable to SMEs to small midcaps. It intends to launch competitiveness checks during impact assessments to ensure that no new barriers are created with new laws.

The new strategy calls on EU Member States to ensure that national laws comply with single market rules. It asks to refrain from creating barriers by lack of transposition or burdensome implementation of EU law, noting thorough assessments of proportionality of all draft national rules notified to the European Commission, e.g. TRIS.

The strategy also proposes to tackle the most harmful barriers such as overly complex EU rules and recognition of professional qualifications across countries. We focus below on issues relevant for hospitality businesses:

#### 1. Tourism and transport

The hospitality industry would benefit from an enhanced mobility of people. **Reaching a genuine single EU transport market requires** eliminating unnecessary technical barriers impacting various transport modes.

Actions proposed include:

- Work with Member States to simplify permitting and planning procedures to increase the supply of housing in the context of the European Affordable Housing Plan and the European Strategy for Housing Construction (Q1 2026).
- Launch initiative for single digital booking and ticketing for rail (Q4 2025).
- Launch initiative for paperless mobility for passengers and goods (Q4 2026).

- Launch initiative on cross-border car rentals (Q3 2025).

## 2. Circularity

The strategy refers to fragmented rules on packaging, labelling and waste creating market barriers and burdens for industry. It anticipates the publication of an **environmental omnibus** to create a single market for waste and facilitate compliance with Extended Producer Responsibility (EPR) schemes. Small enterprises will also be considered in the implementation of acts recently adopted (e.g. Packaging and Packaging Waste Regulation or Ecodesign for Sustainable Products Regulation) - (see also SMCs below). Actions proposed include:

- Environmental omnibus package (Q4 2025).
- Circular Economy Act (Q4 2026).

## 3. Recognition of professional qualifications

The hospitality industry would benefit from an enhanced workers mobility. Actions proposed include:

- Explore EU legislation to address barriers to the mobility of workers.
- Make the procedures for the recognition of professional qualifications faster and more efficient through the greater use of digital tools (Q4 2026).
- Explore EU legislations to establish common rules for the recognition and validation of qualifications and skills of third country nationals (Q4 2026).

## 4. SMEs in the single market:

The European Commission's SME Strategy aims to reduce administrative burdens, enhance cross-border trade, simplifying SME identification, extending support to small mid-caps and promoting intellectual property use.

Moreover, it will aim to support SMEs in **accessing sustainable finance opportunities** by revising the scope of the numerator of the Green Asset Ratio in the Taxonomy Disclosures Delegated Act and by facilitating and assessing voluntary disclosures by SMEs to banks and investors regarding their environmental sustainability performance.

The **'think small first'** principle is reinforced. To better consider SME interests and mitigation measures, a **new mandatory SME check has been developed** and will now be implemented in **Commission impact assessments** for all initiatives which were flagged as relevant for SMEs.

Actions proposed include:

- Provide an SME ID tool based on self-declaration available in all EU languages to facilitate proof of SME status, where appropriate.
- Reinforce the Network of SME Envoys.
- Publish best practice examples of SME-friendly provisions that can be systematically considered for inclusion in draft legislative acts and negotiations (Q3 2025).
- Extend the existing SME fund.

- Adopt a Commission Recommendation for a ‘Voluntary SME’ standard (VSME) to manage sustainability requests to SMEs stemming from their value chain & financial partners (Q3 2025)

#### 5. Introducing a definition of Small Mid-Caps (SMC):

To facilitate the scaling of enterprises, the Commission adopted a **definition of SMC**, which applies to companies employing between 250 and 750 employees and with a turnover of up to €150 million or total assets of up to €129 million<sup>1</sup>.

Actions proposed include:

- Adopt a definition of SMC and an SMC omnibus (together with the Single Market Strategy)
- Need SMCs taken into account in relevant evaluations and revisions (e.g. Public Procurement Directive and the Standardisation Regulation).
- SMCs considered in upcoming Commission proposals (e.g. Digital Omnibus).

#### 6. Digitalising the single market

The European Commission aims to enable sharing of verified data, credentials and legally valid notifications by proposing the European Business Wallet. It will allow easier communication with public authorities and reduce compliance cost. Additionally, the roll out the EU Digital Identity Wallets could be relevant especially for identification of guests at check-in.

Actions proposed include:

- Introduce the European Business Wallet for doing business simply and digitally in the EU (Legislative proposal Q4 2025).
- Roll out the EU Digital Identity Wallets across all Member States as a safe, reliable, and private means of digital identification for everyone in Europe (Q4 2026).

#### More information

Available [here](#) (including the Commission Communication in full, Press Release, Q&A, Factsheet).

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<sup>11</sup> [Commission, Recommendation \(EU\) 2025/1099 of 21 May 2025 on the definition of small mid-cap enterprises](#), p. 6: “The category of small mid-cap enterprises is made up of enterprises which are not small and medium-sized enterprises in accordance with Recommendation 2003/361/EC, employ fewer than 750 persons and have an annual turnover not exceeding EUR 150 million or an annual balance sheet total not exceeding EUR 129 million.”