

- **The three seminars organised by the SaarMoselle Euro district, the Caisse des Dépôts and the MOT between 2011 and 2013** attest to the recognition of the potential of cross-border business takeovers and to the start of discussions on the support tools that may be implemented.¹⁰¹

TAKING ACCOUNT OF THE CROSS-BORDER PROVISION OF SERVICES

Another aspect of cross-border economic development that has grown in importance in recent years is the cross-border provision of services, facilitated since the adoption of the “Services” Directive 2006/123/EC.

This opening-up of the cross-border services market enables SMEs and microenterprises in particular to gain access to neighbouring markets for personal and business services. But this openness is most apparent in the construction sector, where it has led to sharp tensions between domestic and foreign businesses. Fuelled mostly by public procurement, the construction market is increasingly dominated by SMEs from neighbouring countries, mainly on the French-Spanish and French-Italian borders, and in the Greater Region.

There are two types of scenarios:

- **In the Greater Region**, the Luxembourg market attracts a large number of Belgian, French and German craft SMEs due to insufficient local capacity. There is therefore a common interest in facilitating these SMEs’ establishment of activities in Luxembourg. The Conseil Interrégional des Chambres des Métiers (CICM – Interregional Council of Chamber of Trades),¹⁰² which groups 12 Greater Region chambers of trades and crafts, works to establish networks for craft support-advisory services and to remove obstacles to the provision of cross-border services.
- **The situation is however very different in the south of France.** Spanish firms take their business across the border because of a slow domestic market and are more price competitive than their French counterparts. On the Riviera, Italian SMEs often have special expertise in certain traditional building/renovation techniques. This gives them a competitive edge vis-à-vis French firms. French businesses deplore what they see as unfair competition (the companies work on French building sites, but are domiciled in neighbouring countries where social legislation is generally less burdensome), and have called for contracting authorities to be accountable to local business communities through a kind of “pact of good conduct”.



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Territorial authorities and chambers of commerce and industry are therefore faced with the major challenge of aligning their management of cross-border service provision with that of their counterparts on the other side of the border in order to guarantee a free market with no distortion of competition.

This aspect is particularly significant in view of the forthcoming European directive on public procurement, which will introduce new cross-border possibilities.

¹⁰¹ Further details may be found on the MOT’s website: <http://www.espaces-transfrontaliers.org/la-mot/evenements-et-groupes-de-travail-de-la-mot/evenements-de-la-mot/deux-seminaires-sur-la-reprise-transfrontaliere-dentreprises/>

¹⁰² The Project Factsheet page 99.