Broad guidelines of the economic policies of the Member States and the Community for 2001

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This is the Commission's third Report on the Functioning of Product and Captial Markets. The main conclusions of the report are the following: - the process of economic reform initiated at the 1998 Cardiff European Council is proving effective; - the report is moulded by the conclusions of the Lisbon European Council and the objectives of the Strategy for the Internal Market; - consumers and citizens are this year's special topic; - the main challenge ahead is to develop the strategy defined at Lisbon into implementing policy actions; - economic reforms are delivering substatnial benefits to consumers; - economic reforms do not appear to have threatened the provision of services of general interest; - only high levels of environmental, health and consumer protection will improve Europe's market performance and the quality of citizens' lives; - on-going economic reforms in the financial services sector are specifically designed to take consumers' and citizens' interests into account; - consumers could get even more from economic reform subject to the fulfillment of certain conditions. With regard to promoting integration and competition to make EU markets more efficient, the report contains the following conclusions: - the increasing importance of integrating the EU's service industries; - manufactured product markets are generally well-integrated; - European firms and citizens have paid, and are still paying, a high price for the relatively low degree of integration in financial services markets; - progress has been made in making public procurement markets more transparent; - thanks to regulatory reform, certain progress has been made in the market performance of utilities and network industries; - reduction in the distortionary impact of State aid. Furthermore, the EU must promote entrepreneurship and Member States still need to improve their regulatory environment. Therefore, a better co-ordinated EU-wide approach to simplification is needed as are better financing conditions for companies. As such, priority actions should focus on the following: - rapid transition towards E-administration; - launching and implementing co-ordinated action to improve the EU's regulatory framework; - ensuring a high level of coherence and co-ordination between national and Community efforts; - facilitating faster access to finance for smaller enterprises; - accelerating Europe's transformation into an Information Society. In conclusion, citizens must drive economic reform and Europe must create a knowledge-based society. While progress has been made since Lisbon, reforms must be continued, deepened and accelerated.