Single market: Action plan

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The Committee adopted a report drawn up by its Chairman Mr Karl von WOGAU (EPP, D) on the Commission's proposed Action Plan to complete the Internal Markets. The Committee supported the plan, which it hoped will help transform the internal market into a true European home market by the year 2002. In particular, the Committee considered it crucial that the necessary preconditions are created so that free movement of persons and the definitive abolition of passport controls between Member States can be realised. In the field of taxation, the Committee supported the gradual introduction of a new system of VAT based on the principle of country of origin. It further called for the establishment of common principles regarding taxation of capital based on an OECD agreement, measures for cross-border taxation of companies as well as a reduction of taxation on labour. Another crucial requirement for the functioning of the internal market is, according to the report, an effective infrastructure. The Committee called for TENs to be developed in the sectors of high speed rail, telecommunications and energy. While standards are key tools for removing market obstacles, the Committee feels that current structures must be improved, for example by merging the three European standardisation institutes into a single European standards body. Other areas where the Committee called for action are the simplification and clarification of legislation and the improved protection of intellectual property. The legislative framework must be further developed in the field of Company Law, first and foremost by the adoption of the European Company Statute and by other means of making it easier to set up companies across borders. Finally, the Committee underlined that a European home market also requires a common currency and an economic policy based on the principles of an ecologically sound and socially acceptable market economy.