Impact and efficiency of the internal market

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OBJECTIVE: the Commission communication presents, on the basis of an initial study conducted over the past two years, an analysis of the impact and effectiveness of the single market. SUBSTANCE: on the basis of the data available to it the Commission considers that, even if there are many gaps, the general picture is encouraging and the single market has had the expected effect: strengthening of competition; accelerated pace of industrial restructuring; greater competitiveness; a wider range of products and services available to public sector, industrial and domestic consumers at lower prices; faster and cheaper cross-frontier deliveries; greater mobility within the EU of workers and those not economically active (students and retired people). In terms of economic effect, the results of the single market can be summarized as follows: - between 300 000 and 900 000 more jobs than would have existed in the absence of the Single Market; - an extra increase in EU income of 1.1 - 1.5% over the period 1987-1993; - inflation rates which are 1 to 1.5% lower than they would be in the absence of the single market; - expansion of intra-Community trade, representing 68% of total trade of the fifteen; - strengthening of structural convergence between the economies of the Member States. The report also highlights the many problems which still exist and puts forward clear recommendations for action at two levels: - first of all at national level, as it is primarily the national authorities which are responsible for applying single market rules. The Commission is urging that enforcement of Single Market legislation and Treaty rules be stepped up. It calls for vigorous action to be taken to reduce excessive regulation at national level; - at Community level, where further efforts must be made to complete the 1985 agenda in a few key areas (such as abolition of border controls on persons, taxation and company law). Provisions are also needed with a view to the creation of the single market in new areas such as biotechnology and the information society, making up the delays in the energy sector (where there is still no single market), and lastly to put flesh on Community provisions in areas such as competition, consumer policy and the environment. The introduction of a single currency in 1999 will also make the Single Market more effective, by eliminating the constraints which now result from exchange risks and by increasing competition.