Cyprus: accession to the European Union and progress in negotiations

1997/2171(COS) - 13/10/1999 - Supplementary non-legislative basic document

PURPOSE: To present the 1999 Regular Report on Cyprus's progress towards EU accession. CONTENT : This report looks at relations between Cyprus and the Union. It analyses the situation in terms of the Copenhagen criteria and looks at administrative and judicial capacity to apply the acquis. Relations with the Union : relations are intensifying in the pre-accession process. Cyprus implements its obligations under the Accession Agreement. Cyprus and the EU are to complete a Customs Union by 2002. The restrictions on Turkish imports into Cyprus have been lifted. The specific pre-accession strategy for Cyprus includes participation in Community Programmes. Copenhagen political criteria: Whilst the Commission states that Cyprus fulfils the Copenhagen political criteria, it notes that there has been little progress in the last year in finding a lasting solution to the Cyprus question. The Cypriot government's decision in December 1998 not to deploy additional weaponry was welcomed. As regards accession negotiations, the Union regrets the continuing absence of representatives of the Turkish Cypriot community, which would ensure that Turkish Cypriots' interests would be taken into account, and allow for the implementation of the acquis throughout the island. As a political settlement has not yet been achieved, arrangements regarding power sharing at the different levels of the administration are not effectively applied. The report states that progress towards accession and towards a just and viable solution of the Cyprus problem will naturally reinforce each other. Copenhagen economic criteria - Cyprus is a functioning market economy, which should be able to cope with the competitive pressures and market forces within the Union. Since the 1998 Report, the country has enjoyed rapid economic growth, while inflation has been contained. Efforts in the areas of structural reform and deregulation are still needed, particularly in progress towards privatisation. Integration of the north of Cyprus would enhance growth prospects and increase foreign direct investment. Ability to assume the obligations of membership: since the last regular report, Cyprus has made little progress in further alignment with the internal market acquis. There is no systematic control of state aid, and framework legislation is needed as a matter of priority. Administrative capacity to apply the acquis: Whilst starting from a good base, Cyprus needs to set up institutions in the areas of telecommunications, free movement of goods and justice and home affairs. Further reinforcement is needed in the maritime transport and environment sectors.