Single market: Action plan

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OBJECTIVE: The Commission's draft action plan is aimed at improving the performance of the single market over the coming years. SUBSTANCE: The action plan follows the Commission's report on the impact and effectiveness of the single market (COS0502). It sets out a number of priorities offering a clear strategic overview of the actions to be undertaken by 1 January 1999. At the present stage, four strategic targets have been defined, all of equal importance and to be pursued in parallel. 1 - Making the rules more effective. Six actions are proposed. a) putting the agreed single market legislation into force: only 65% of the single market legislation is fully operational in all fifteen Member States. The Member States will be called on to submit their detailed timetable and demonstrate their political commitment to eliminating, by 1 January 1999 at the latest, any delay in transposition. Infringement procedures will be accelerated; b) establishing a framework for enforcement and problem-solving: the Commission will press each Member State to designate a coordination centre within its administration, to be responsible foe ensuring that any problems raised by other Member States or the Commission are dealt with by the authorities directly concerned, within strict deadlines. Telematic links between enforcement authorities will be developed under the second IDA programme; c) strengthening checks on products; the Commission will make legislative proposals to strengthen the common rules for market surveillance, by providing for joint inspection schemes or procedures in areas including industrial and consumer products, foodstuffs, pharmaceutical products and medical devices; d) better access for business to information: in coordination with the Euro Info Centres, the Commission will set up an Internet shop for information on all single market regulations affecting business; e) simplification of national and Community rules: the Commission will extend the programme of simplification and improvement of single market legislation (SLIM) to areas including VAT, banking, insurance and securities, fertilizers, consumer services, telecommunications, customs rules and procedures, and company law. Pilot schemes will be introduced to improve consultation procedures with business, including consultation of a European Business Test Panel on certain legislative proposals; f) tackling weaknesses in the existing legal framework: the existing single market legislation needs to improved in the following areas: public procurement, application of mutual recognition principle, European standardization, conformity marking of products, construction products, transit rules and the environment. 2 - Removing the main factors of market distortion. Four types of action are proposed: a) adopting proposals for the modernization and more consistent application of VAT; b) restructuring of the Community framework for the taxation of energy products; c) fiscal measures: a modified directive on the taxation of saving; a directive on crossborder payments of interest and royalties; a code of conduct to tackle the harmful effects of tax competition; d) guidelines on state aids to the regions and stricter rules on rescue and restructuring aid; simplification of anti-trust rules; 3. - Removal of the sectoral obstacles to market integration. This includes: a) breaking down the barriers in service markets: adoption of a new framework directive on UCITS; reduction of restrictions on pension fund placements; approval of the liberalization of gas supply; launch of the liberalization of telecommunications and electricity; agreement on crossborder rail services and rail freight freeways; new rules on charges and allocation of slots at airports; agreement on setting up a European air safety agency and a new Eurocontrol convention; b) offering companies a favourable environment for crossborder operations: adoption of the proposal on the European company statute and proposals on the statutes of cooperatives, mutual societies and associations ; adoption of the proposal for a tenth directive on company law; adoption of the proposal for a directive on late payments; c) meeting the challenge of innovation and the new technologies: adoption of measures on electronic commerce (proposals on the creation of a mechanism for transparency, copyright protection, distance selling of financial services, digital signatures, etc); adoption of the directive on the protection of biotechnological inventions; 4. - Delivering a single market for the benefit of all citizens. This includes: a) eliminating border controls: adoption of flanking measures and of three directives on the elimination of frontier controls and of restrictions on the right of free movement and the right to travel. b) reform of the right to reside and remain in another Member State; c) protection of social rights: consultation of the social partners on the information and consultation of

workers; d) promotion of labour mobility within the Union; adoption of the directive on supplementary pensions; improvement and greater use of the EURES labour market database; e) consumer rights and health protection: adoption of the directive on the sale of consumer goods and related guarantees; f) dialogue with the public: creation of a permanent mechanism for dialogue with the public and informing citizens of their rights.