2004 enlargement: state of preparedness for Union membership of the 10 new countries. Comprehensive monitoring report

2003/2201(INI) - 05/11/2003 - Document attached to the procedure

MONITORING REPORT ON ESTONIA : Against the background of weak external demand, macroeconomic performance in Estonia remained solid but the current account deficit widened appreciably. The authorities adhered to their reform path, particularly in the areas of pension reform and financial supervision. As regards the areas where last year's report suggested improvements, some progress has been made, but challenges remain. The expansionary fiscal policy, notably during 2002 and 2003, at the level of the local and central governments poses a risk to macroeconomic stability, particularly in the light of a widening current account deficit. Active labour market policies are being pursued to address the unemployment problem and progress to-date has been satisfactory. The restructuring of the oil-shale sector is advancing, but there has been no further liberalisation of the energy market. As regards overall administrative and judicial capacity, sufficient conditions are in place for the implementation of the acquis by the Estonian public administration and judiciary, but there is room for further improvements. In the field of public administration, weaknesses in the conditions of service and career structures should be improved, as well as co-ordination across the civil service. A number of further reforms remain to be made to the judicial system, and will partly result from the new Code of Criminal Procedure, due to enter into force in July 2004. Estonia should continue to improve the effectiveness of its anti-corruption measures. As regards the implementation of the acquis in specific policy areas, it should be noted that Estonia has reached a high level of alignment with the acquis in most policy areas. The Commission's methodology consists of three categories of areas which are identified in accordance with their degree of alignment with the acquis: 1) areas that cause no or few problems; 2) areas in which Estonia partially meets the commitments and requirements and needs to make enhanced efforts in order to complete its preparations for accession. It must take immediate and decisive action to address three issues of serious concern in two chapters of the acquis if it is to be ready by the date of accession. - free movement of persons, relating to Estonia's preparations for mutual recognition of qualifications for certain professions in the healthcare sector; - social policy and employment, as regards labour law, and equal treatment of women and men.