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 MALTA : Economic activity remained weak, affected by low external demand and thedownturn in the tourism sector. Progress with structural reforms has beenmixed. As regards the areas, where last year's report suggested improvements,some progress has been made, but challenges remain. Very substantial effortsare necessary to guarantee the sustainability of public finances in the mediumterm. Although restructuring of public enterprises is under way, morefar-reaching measures need to be implemented, leading to higher productiveefficiency and supporting fiscal consolidation. The level of non-performingloans in the banking sector remains high, although several steps have beentaken to improve supervision and credit assessment.As regards overall administrative and judicial capacity, sufficient conditionsare in place for the implementation of the acquis by the Maltese publicadministration and judiciary,but there is room for further improvements. In the field of publicadministration, the current efforts to bring about more efficiency andaccountability across the public service need to be continued. The reform ofthe judiciary needs to be pursued in order to further decrease the backlog ofpending judiciary cases and improve the functioning of the small claimstribunal. As regards the fight against corruption, Malta should adopt acomprehensive anti-corruption strategy, taking into account therecommendations of the Council of Europe's Group of States against Corruption.As far as translation of the acquis into Maltese is concerned, the number ofrevised texts prepared by Malta must increase greatly in the coming period upto accession.As regards the implementation of the acquis in specific policy areas, itshould be noted that Malta has reached a high level of alignment with theacquis in most policy areas.The Commission's methodology consists of three categories of areas which areidentified in accordance with their degree of alignment with the acquis:1) areas that cause no or few problems;2) areas in which Malta partially meets the commitments and requirements andneeds to make enhanced efforts in order to complete its preparations foraccession;3) areas that Malta must take immediate and decisive action to address. Forinstance, Malta must address six issues of serious concern in three chaptersof the acquis if it is to be ready by the date of accession.- state aid in the competition policy chapter, where Malta must enhance itsefforts to implement its commitments regarding the restructuring of itsshipyards;- agriculture, as regards the setting up of a Paying Agency, theimplementation of the Integrated Administration and Control System, externaltrade mechanisms, and transmissible spongiform encephalopathies (TSEs) andanimal waste treatment;- transport field, as regards maritime safety.