Internal market: 3rd 2002 review.

2002/2143(COS) - 13/02/2003 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Malcolm HARBOUR (EPP-ED, UK) on the 2002 review of internal market strategy. (Please refer to the summary dated 28/01/03.) Parliament expressed its concern in relation to the gap between the Council's support for the goals established at the Lisbon European Council and Member States' reluctance to implement reforms. The highest priority must be given to a major initiative to bridge this gap, engaging all European institutions, consumer, employees' and business organisations in an effective partnership. On the question of Member States failure to implement legislation, the Commission should, in the first instance, seek pragmatic solutions. It should also improve the speed and efficiency of its handling of infringement cases, and to work with the Court of First Instance to develop procedures for fast-track review, backed up where necessary by sanctions, as well as implement the proposals adopted by Parliament on this matter. Parliament felt in necessary to undertake a review of the effectiveness of the Court's system of sanctions and fines, with the objective of strengthening the system, fast-tracking priority cases and setting implementation deadlines, followed by swift procedures for the imposition of fines. A test for Internal Market compatibility must be incorporated into the tests to which all EU legislation is submitted, and into plans for simplifying and improving Community legislation (better regulation). Parliament went on to reject the Commission's assertion that Parliament and Council are equally to blame for the failure to hit a number of targets. The targets listed as missed by the Commission are almost exclusively missed because of slow progress in Council. On specific actions in support of the internal market strategy the Commission is asked to: - increase its efforts in simplifying the burdensome VAT system, and to ensure that the real impact on business, in particular on SMEs is more thoroughly evaluated when new legislation is proposed; - provide a cost/benefit analysis in future Scoreboard Reports on the benefits of implementing Internal Market legislation in terms of jobs, growth, GDP and competitiveness of the EU economy, while quantifying the costs of failure to implement such legislation; On the question of an internal market in services, Member States should commence immediate reviews of their legislation affecting service providers with a view to eliminating protectionist, discriminatory and discretionary practices and heavy or non-transparent procedures. Member States should also encourage freedom of establishment and easy business start-ups, including subsidiaries, by modernising their legislation and encouraging entrepreneurship, in order to provide a strong boost to the Internal Market in services.