Basic information

1999/2167(COS) COS - Procedure on a strategy paper (historic) Internal market: strategy over the next five years **Subject** 2 Internal market, single market	Procedure completed

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs and Internal Market	PALACIO VALLELERSUNDI Ana (PPE-DE)	13/10/1999

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	BERENGUER FUSTER Luis (PSE)	15/11/1999
ITRE Industry, External Trade, Research, Energy	BALTAS Alexandros (PSE)	07/12/1999
EMPL Employment and Social Affairs	MEDINA ORTEGA Manuel (PSE)	22/11/1999
ENVI Environment, Public Health, Consumer Policy	The committee decided not to give an opinion.	
PECH Fisheries	VARELA SUANZES-CARPEGNA Daniel (PPE-DE)	21/02/2000

Council of the European Union

Council configuration	Meetings	Date
Competitiveness (Internal Market, Industry, Research and Space)	2079	1998-03-30
Competitiveness (Internal Market, Industry, Research and Space)	2193	1999-06-21

European Commission

Commission DG	Commissioner
Financial Stability, Financial Services and Capital Markets Union	

Key events

Date	Event	Reference	Summary
30/03/1998	Resolution/conclusions adopted by Council		
21/06/1999	Debate in Council		
05/10/1999	Non-legislative basic document published	COM(1999)0464	Summary
25/10/1999	Committee referral announced in Parliament		
28/03/2000	Vote in committee		Summary
28/03/2000	Committee report tabled for plenary	A5-0098/2000	
12/04/2000	Debate in Parliament		
13/04/2000	Decision by Parliament	T5-0180/2000	Summary
13/04/2000	End of procedure in Parliament		
07/02/2001	Final act published in Official Journal		

Technical information

Procedure reference	1999/2167(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148 Rules of Procedure EP 050
Stage reached in procedure	Procedure completed
Committee dossier	JURI/5/12135

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0098/2000 OJ C 040 07.02.2001, p. 0006	28/03/2000	
Text adopted by Parliament, single reading		T5-0180/2000 OJ C 040 07.02.2001, p. 0164-0465	13/04/2000	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	COM(1999)0299	16/06/1999	Summary
Document attached to the procedure	SEC(1999)0966	16/06/1999	

Document attached to the procedure	SEC(1999)1106	13/07/1999	Summary
Non-legislative basic document	COM(1999)0464	05/10/1999	Summary
Document attached to the procedure	COM(1999)0624	24/11/1999	Summary
Document attached to the procedure	SEC(1999)2043	03/12/1999	Summary
Document attached to the procedure	COM(2002)0419	23/07/2002	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0367/2000 OJ C 140 18.05.2000, p. 0036	30/03/2000	

Internal market: strategy over the next five years

1999/2167(COS) - 24/11/1999 - Document attached to the procedure

The consultative communication adopted by the Commission on 05/10/1999 launched a short but highly focused debate in the Council, Parliament and Economic and Social Committee and among interested parties. The response was positive and clearly broadly-based support for combining longet-term strategic objectives with short-term, annually reviewed, target actions. This communication provides the Commission's strategy for the Internal Market over the next five years. It sets out four strategic objectives; the operational objectives that flow from them and, for the first time, the (annually reviewed) target actions the Commission recommends to deliver these objectives. The strategy has been conceived to reflect the characteristics of a more mature Internal Market: - the need to enhance the competitiveness of the European economy as well as to improve the quality of life of European citizens. Where the interests of business and the consumer diverge, they must be equitably reconciled. Community policies on the environment, economic and social cohesion, health and safety and consumer rights need not only to be co-ordinated with Internal Market policies, but integrated into them, as required by the Treaty; - the need to involve all stakeholders in the continuing development of the Internal Market, be they citizens or business and whatever their location and circumstances. The continuing development of the Internal Market should be at the heart of bringing the EU closer to its citizens through its impact on their daily lives as employees, employers, consumers, pensioners, students, borrowers, savers, investors and taxpayers; - the need to remove all unjustified barriers to the free movement of goods, services, persons and capital. The new legal framework, created by integrating national markets must function optimally in order to maximise the benefits to consumers, citizens, and business. A proper balance will be sought between legislative and non-legislative activity and between harmonisation and mutual recognition. Wherever appropriate, the Commission will support self-regulation and ensure that it achieves results in an open and transparent way; - the need to promote comprehensive structural reform and modernisation through the microeconomic strand of the process of multilateral economic surveillance, as established by the Cardiff European Council; - the need to monitor and review the effects of existing Internal Market measures by using and developing instruments such as the Scoreboard and the Cardiff report. The Dialogue with Citizens and Business should make full use of the opportunities created by information technology to enhance inclusive and interactive policy-shaping; - the need to provide an adequate framework to unleash the great potential for the development of the Internal Market for information and communication technologies, including e-commerce; - the need to prepare for the next enlargement of the Union. the accession of ten or more countries represents a major challenge to both current and future Member States. The operation of the existing rules needs to be improved and the candidate countries associated as soon as possible in their practical application; - the need to look beyond the borders of the Union. The Internet and e-commerce offer even the smallest of companies theopportunity to trade globally. The Union's experience in creating its Internal Market provides extensive experience on which discussions with its main trading partners can be based. Lastly, reference should be made to the separate but related Union objective of creating the area of Freedom, Security and Justice. The Treaty of Amsterdam offers new possibilities to ensure that the freedoms derived from the Internal Market can be enjoyed in conditions of security and justice accessible for all.

Internal market: strategy over the next five years

1999/2167(COS) - 16/06/1999 - Document attached to the procedure

The Action Plan for the Single Market put forward an ambitious 18-month programme in parallel with the introduction of the euro. This working document outlines the progress achieved in this regard. The document stresses that the action plan was implemented with good results and that the way is open for the next stage of the single market which will involve the combination of two distinct elements: firstly, a common vision of strategic objectives for the single market in the long term and, secondly, the ongoing examination of market performance. The internal market scoreboard

highlights some positive developments. The recent progress of certain Member States (e.g. Belgium and Germany) demonstrates that intense activity within the administration, with vigorous political support at the highest levels, can yield significant results over a short period. Similar efforts are now required from a number of Member States (notably Portugal, Italy and Greece) whose implementation record remains poor. Some Member States have made progress removing obstacles to the functioning of the Single Market through the use of Contact Points for Citizens and for Business and Coordination Centres (acting as a link between Member State administrations and with the Commission) which have been established under the Action Plan. Concerning infringement procedures against Member States under Article 226 (formerly 169) of the EC Treaty for failure to apply Single Market rules, the scoreboard notes a rise in the number of 'reasoned opeinion' and referrals to the Court of Justice, largely as a result of faster handling of infringement cases by the Commission. Implementation of priority Single Market policies remains uneven across sectors and within Member States. Although competition among utilities has increased, particularly in the telecommunications and energy sectors, gaps still remain in the implementation of the relevant EU legislation. The implementation and enforcement of environmental legislation continues to be an important source of problems on many Member States. Although the overall volume of legislation whose implementation is late may have fallen, the slow pace of implementation of new measures continues to fragment the single market. Lastly, the processes of feedback and information of citizens and business still need to be strengthened.

Internal market: strategy over the next five years

1999/2167(COS) - 13/04/2000 - Text adopted by Parliament, single reading

The Parliament adopted its resolution drafted by Ana PALACIO VALLELERSUNDI (EPP/ED, Spain) on the Commission's strategy for improving the internal market. The resolution supports the Commission's strategy, and applauded the innovative switch from a linear approach to an annual Single Market cycle, with its emphasis on target actions with agreed deadlines and a measurable output, which can be reviewed and adjusted. Parliament expressed its concern that businesses are not always aware of the advantage of treating the whole of the EU as a single market . Neither administrative obstacles nor the behaviour of consumers is adequate explanation for this attitude. Mass information campaigns similar to those conducted during the launch of the euro and incentives to encourage cross-border parnerships should be considered. Member States need to review their mechanisms for transposing and implementing internal market legislation. With regard to bank-to bank transfers in euro, the Commission is asked to take steps to ban the levying of fees on Euro-11 inter-bank transfers that are higher than those levied on the national market. The simplification of the VAT system and its direct application to electronic commerce should be speeded up. A European network of alternative dispute-resolution systems should be set up for on-line transactions. With regard to tax, the priority for the Community must be to eliminate distortions to competition which are disrupting the single market. The Commission is urged to ensure the correct implementation of energy market liberalisation and ensure that companies within the Union are not rendered uncompetitive as a result measures on the taxation of energy products.

Internal market: strategy over the next five years

1999/2167(COS) - 03/12/1999 - Document attached to the procedure

The Internal Market Scoreboard published by the Commission confirms the continued progress of transposition: 10 of the 15 Member States have a transposition deficit of less than 4% as against 2 out of 15 in November 1997. In addition, Member States have been asked to make efforts (Greece, Luxembourg, France, Portugal and Ireland) where the transposition deficit remains above the 4% threshold. The rate of infringement, however, remains high and the resolution of disputes takes too long. The Commission insists on the necessary simplification of legislation so as to improve the working of the internal market. In addition, the Commission believes that the rate of adoption of proposals should be accelerated. It states the example of the proposal on the VAT reform that has not yet been fully discussed. The scoreboard pays particular attention to progress in the implementation of the Action Plan for financial services. The main stumbling block is still the absence of solutions in a certain number of legal proposals all concerning direct or indirect reference to Gibraltar and its status. This question continues to cause conflict between Spain and Great Britain. It also seriously hinders the creation of the single market for financial services. The results of the new survey of the companies, confirm the view of a continued improvement in the working of the single market, with a rate of satisfaction from companies surveyed of 61,8 points (out of 100 points) for 1999, even if there is still significant scope for improvement of the business environment. Lastly, the Commission underlines that the internal market has already led to a certain degree of price convergence. The comparison of price levels at purchasing power parities reveals 3 groups of countries: a low level price group with Portugal, Spain, Greece and Italy; an intermediary price group with the Benelux countries, Germany, France, the United Kingdom and Ireland; and a high level price group with the countries from northern Europe and Austria. In order to improve the surveillance of price trends in the internal market, the future editions of the scoreboard shall contain an index of prices based on a basket of comparable and representative goods covering grocery articles and fast-moving consumer goods.

Internal market: strategy over the next five years

1999/2167(COS) - 13/07/1999 - Document attached to the procedure

On 16/06/1999, the Commission proposed a communication on mutual recognition in the context of the follow-up to the Action Plan for the Single Market. According to the Commission's analysis, the application of mutual recognition is producing results, but grey areas persist, chiefly because ignorance of the principle and its operational consequences on the part of the users of the system, be they Member States or economic operators. In keeping with the spirit of the Action Plan for the Single Market, the Commission is proposing a series of initiatives designed to improve the application of the principle of mutual recognition. Some of the solutions put forward are aimed at economic operators whilst others will have to be implemented by the Member States. The Commission also undertakes to be more vigilant in ensuring the effective application of this principle. Accompanying this Commission communication is the first biannual report on the application of mutual recognition with the purpose of vesting itself with an instrument to monitor the internal market in this particularly difficult field. The report is based on the large amount of information that the Commission has: individual cases based on complaints or detected infringements, notifications received in respect of standards and technical regulations in the framework of Directive 98/34, notifications sent by the Member States with regard to national measures derogating from the principle of free movement of goods, etc.

These data, although not exhaustive, serve as reliable indicators of fields in which the application of mutual recognition may or ùmay not pose problems.

Internal market: strategy over the next five years

1999/2167(COS) - 05/10/1999 - Non-legislative basic document

This consultative communication outlines the Commission's ideas in regard to the implementation of a strategy for the single market over the next five years. It is designed to stimulate debate within the Council, the European Parliament and other interested parties. Following consultations, the Commission will issue a definitive version of this strategy. The Commission puts forward four strategic objectives for the single market over the 2000-2004 period: - improving the quality of life of citizens, - enhancing the efficiency of the EU's product and capital markets, - improving the business environment, and - exploiting the achievements of the single market in a changing world. A series of operational objectives has also been identified with a view to their contribution to the achievement of the strategic objectives. 1) Improving citizens' quality of life: the internal market brings substantial benefits to citizens in terms of sustainable jobs, consumer choice and the freedom to live, work and travel in other Member States. The Commission proposes that the EU should: - ensure sustainable development through further integration of single market and environment policies, - promote the interests of consumers, notably by ensuring a high level of protection, market surveillance and proper enforcement of rules, - support employment and ensure coordination of social protection, - ensure that citizens are aware of their rights and can make full use of them, and - ensure that the area of freedom, security and justice within the EU becomes a tangible reality. 2) Enhancing the efficiency of EU product and capital markets: the Union needs competitive goods, services and capital. The introduction of the single currency has paved the way for important changes, while the single market acts as a stimulus to establishing the right regulatory environment for a dynamic, knowledge-based, job-creating economy. The Commission proposes that the EU should: - encourage economic reform in the interests of market efficiency, - ensure financial services deliver their full potential, - complete the agreed legislative framework, ensure a common understanding of the rules and build a shared commitment to enforcement, - eliminate existing or potential obstacles to cross-border trade and improve the application of the mutual recognition principle, - secure effective market-opening legislation in the utilities and transport sectors, whilst preserving universal service and - encourage creativity and innovation by adequately protecting industrial and intellectual property rights. 3) Improving the business environment: if action to deepen market integration is to be fully effective, the overall business environment must be favourable. The Commission proposes that the EU should: - ensure that market integration is not undermined by anti-competitive practices, - eliminate tax barriers to the Internal Market and unfair tax competition, and - create an improved and simplified legal and administrative framework which reduces the regulatory burden on business. 4) Exploiting the achievements of the Internal Market in a changing world: the increased competitiveness brought about by the Internal Market is vital to European businesses competing in global markets. At the same time, the Internal Market offers a model in building global or regional consensus on trade liberalisation. The Commission proposes that the EU should: - contribute to the shaping of the multilateral trading system for the next century, and - ensure that the Internal Market contributes to the successful enlargement of the EU.

Internal market: strategy over the next five years

1999/2167(COS) - 23/07/2002

The European Commission presented its second biennial report on the application of the principle of mutual recognition in the single market. The importance of mutual recognition for the proper operation of the single market should not be underestimated: the economic value of intra-Community trade in products covered by mutual recognition is estimated at approximately EUR 430 billion. The following conclusions stem from the report : - The specific assessments of how mutual recognition operates, carried out between 1999 and 2001, confirm that mutual recognition operates well for products which pose few safety problems, such as bicycles, tanks and containers. - In contrast, the application of mutual recognition for technically complex products (e.g. buses, lorries, construction products and precious metals) or products which can pose safety or health problems (such as food supplements and fortified products) seems to operate less well because a number of economic operators and national administrations are unfamiliar with the principle (lack of information, absence or refusal of dialogue or administrative cooperation). - In order to facilitate the application of mutual recognition for products between economic operators and national administrations, the Commission will adopt guidelines on this subject in a communication to the Member States and economic operators. The communication will explain the rights and obligations of the parties concerned in cases where the principle of mutual recognition needs to be applied. In addition, it will ensure that the best possible use is made of existing instruments in order to root the proper application of the principle of mutual recognition in national legislation and administrative practice. Practical guides by sector or group of sectors and seminars will probably remain effective tools for increasing familiarity with and improving the operation of the principle, not only in the Member States but also in the candidate countries. These tools are particularly important for the bodies which are involved and cooperate in conformity checking. - In the specific sectors in which national rules provide for such different levels of protection that the principle of mutual recognition cannot properly fulfil its role (as in the field of fortified foodstuffs and construction products), harmonisation will continue to be the most suitable solution, on condition that it covers all the problems for which mutual recognition cannot provide an effective solution. Harmonisation is also an important tool, particularly in relation to the protection of health, the environment and the consumer. In the field of services, the Commission has just defined a new strategy based partly on the application of mutual recognition as a means of eliminating the redundant (and often contradictory) superposition of regulations which constitute barriers to cross-border trade and stifle innovation. Mutual recognition will continue to play a very important role in the field of financial services.