

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(83)144 final

Brussels, 15 March 1983

INTERNAL MARKET PROBLEMS

Commission communication to the European Council,
21/22 March 1983

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I.

The European Council session in Copenhagen on 3/4 December 1982 stated that the strengthening of the Common Market was a major component in a growth strategy based on reactivation of investment, and accordingly requested the Council to define its position by not later than the end of March 1983 on the priority measures proposed by the Commission for strengthening the internal market.

The Council sessions on 1 February and 1 March 1983, devoted exclusively to the subject of the internal market, reached agreement on only about one-third of these acknowledged priority measures. On two important sets of matters in the Copenhagen programme positions were not adopted within the time scheduled: the obstacles to agreement are listed in the annex.

The Commission records with regret that the Council has thus not acted on certain important parts of the European Council's instructions. As a result the European Council's intention of restoring the confidence of the economic sectors in the dynamism of integration has not materialized.

II.

Only if the remaining issues are settled as speedily as possible and further substantial progress achieved in the matter of the internal market can the comprehensive strategy adopted by the European Council for overcoming the economic crisis be put into effect.

This being so, the European Council should:

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- (1) repeat with the utmost firmness its Copenhagen instructions to the Council of Ministers to reach agreement on the Community certificate for third-country products and the Commission proposals for easing customs formalities in intra-Community trade without delay and in any event by the end of June 19837;
- (2) request the Council to define its position by the end of June 1983 on the Commission proposals concerning the internal market in the Presidency's programme;
- (3) as concerns modus operandi, request the Council to keep to the arrangement of special sessions devoted to internal market matters and to take the necessary steps regarding the preparation of these so that the proceedings can progress quickly.

PROBLEMS AT COUNCIL SESSIONS

1. The harmonization proceedings with respect to obstacles to trade (20 Directives to date), without which there can be no freedom of movement, will remain blocked unless and until the Council takes a decision on the Community certificate for third-country products. The only point still in dispute is how far the individual Member States are entitled to treat a Community certificate as not applying to their territory without sufficient joint control. Two Member States are still holding out for a large measure of discretion in exceptional cases.

2. The Commission is seeking by easing customs formalities at least to make Community-wide the conditions obtaining in the Belgo-Luxembourg Union.

Involvement here are four proposals, one of which, on easing checks on persons, only came under scrutiny by Council officials in March.

Of the other three, it would appear that agreement could be reached quickly on the proposal for a Directive easing the formalities in connection with intra-Community trade in goods if one Member State in particular would withdraw its objections as regards recognition of test results and the scope of the regulation on customs offices' hours of business.

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The proposal to introduce a single document met with refusal to take the decision in principle by adopting the basic Regulation unless the details of the implementing Regulation were fully spelt out.

One Member State wanted the entire proceedings, aside from the documentary part, concentrated on the future computer network to be established in the customs services. In the Commission's view this proposal would never work unless the single document was introduced first, owing to the disparate data.

The Fourteenth VAT Directive failed to be adopted owing to some Member States' fears of the financial implications of transferring VAT investigations from the frontiers to inland customs offices.

From the arguments adduced one cannot but feel that civil service inertia has once again carried the day.