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THE COMMUNITY INTERNAL MARKET

- 1993 Report -

(presented by the Commission)

The First through the Seventh Reports (1986-1992) were published as *Report of the Commission ... concerning the implementation of the White Paper on completing the Internal Market*. This report covers 1993. The 1993 annex is in a separate document on AEI-EU. The 1994 and 1995 reports are titled *The Single Market*. The series ends with the 1995 report.

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NOTE

For ease of reading, references in the body of the report to Council or Commission legislation and to articles of the various Treaties are followed by an asterisk* without a footnote. Precise titles and references are given at the end of the report in the list of Community legislation cited.

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The internal market in 1993

Introduction

The internal market is working - but it can and must be improved if it is to fulfil its promise. This is the main conclusion of the Commission's first Annual Report on the operation of Community's internal market. The Community is well advanced in terms of implementation of the basic legal framework to assure the free circulation of goods, services and capital, although important political decisions are still needed to secure the free movements of persons. Even when this legal framework is finally in place, however, this will be the starting-point rather than the completion of Community policy for management and development of the internal market. This is why the Commission decided to issue at the end of the first year of operation of the internal market a Strategic Programme for the internal market (1), in order to set the Community's priorities clearly for the years ahead. This objective of fully exploiting the potential of the internal market in order to reinforce economic growth, competitiveness and employment in Europe was endorsed by the European Council in Brussels on 10-11 December 1993.

This first Annual Report on the operation of the internal market is a response to a request first formulated in the Sutherland Report on "*The internal market after 1992, Meeting the challenge*", and later echoed in the Commission communication of 2 December 1992 on the operation of the Community's internal market after 1992 (follow-up to the Sutherland Report) (2), to the effect that the Commission should produce an annual report on the progress of the internal market. For the establishment of a single market is not simply a question of adopting Community-level legislation. It is a more complex, long-term process of gradually changing legal structures and administrative practice at the national level and of encouraging new attitudes and behaviour from economic operators in the market. The date of 1st January 1993 represents the beginning, rather than the end, of this process. This Annual Report on the Community is intended to be a means of assessing, at regular intervals, to what extent the Community has achieved its objectives and of identifying priorities for future action. The Report will therefore not only record the recent past; it will serve as a signal to those operating in the single market of the Community's intentions for its future development.

The first part of the Report takes an overall view of the extent to which internal market legislation is already in place, and examines the main management issues addressed in the Commission's Strategic Programme. The second part examines in more detail the operation of the internal market during 1993 in each sector of activity.

(1) COM(93) 632 final of 22 December 1993 "*Making the most of the internal market: Strategic Programme*"

(2) SEC(92) 2277 final of 2 December 1992

