



Making the single market effective

by Mario Monti, Member of the European Commission

The single market is at the heart of the European Union. It is based on the liberal economic principles of the European Community. It is the most ambitious and comprehensive supply-side programme ever launched anywhere in the world. Now, for the first time, there is objective confirmation that the single market is beginning to deliver the promised results. It is indeed serving as the launching pad for improving competitiveness and for attaining higher levels of job creation and sustainable growth.

Evidence of the single market's impact

The evidence is based on 38 independent studies and surveys conducted for the Commission over the past two years, which have provided the basis for the Commission's communication on the impact and effectiveness of the single market.¹ The results are encouraging. In 1994, thanks to the single market, European Union GDP was between 1.1 and 1.5% higher than it would otherwise have been, up to 900 000 more jobs existed across the Union and inflation was 1 to 1.5% lower. At the micro-economic level, there is clear evidence of growing competition between companies in both manufacturing and services and an accelerated pace of industrial restructuring. Faster and cheaper cross-frontier deliveries are resulting in more efficient distribution and a wider choice of suppliers for both manufacturers and retailers.

The efficiency gains associated with the implementation of the single market have also been confirmed by firms' perceptions. However, there is no clear evidence that firms have indeed profited by reorganizing production across Europe and increasing the size of their establishments. It was thought that large benefits from the single market would come from companies exploiting their potential scale economies. Generally, they have not. Research reveals that 47 out of 53 major industrial sectors in Europe still show unexploited scale economies.

Lack of enforcement at national level

A wider range of products and services is available to retail, public sector and industrial consumers at lower prices, particularly in newly liberalized service sectors such as transport, financial services, telecommunications and broadcasting. It is by any measure an impressive list of successes. But there is no room for complacency. The Commission's analysis suggests that the benefits and opportunities would have been even greater if Member States had been more diligent in putting in place the single market measures already agreed and applying the principles of the Union law on which they are based.

Delays in applying and enforcing single market rules at national level continue to limit the single market's positive contribution to growth, competitiveness and employment. For the moment, although 92% of single market directives have been implemented by Member States, only 58% of them have been implemented in all 15 EU countries². Lack of enforcement is widely perceived as a problem by businesses and individuals.

That said, once public authorities at the national and Union level have provided a level playing field by putting in place single market rules, it is up to business to make use of it. The Commission's analysis shows that where companies have taken up single market opportunities, the benefits are significant. But too many companies, especially small and medium-sized ones, seem to be unaware of, or reluctant to take on, new opportunities and challenges. The implications for business are clear — if you want to share in the benefits of the single market, get out there and make the most of it.

¹ For more information, see p. 3.

² Situation at 22 November 1996.

■ Liberalizing river transport

Minimum compulsory tariffs and the 'rotation' system will have disappeared throughout the European Union by 1 January 2000 at the latest, thus making room for a liberalized inland waterway transport market. The EU Council of Ministers adopted definitively¹ on 19 November a Directive, aimed at organizing the single market in inland waterway transport. In order to deal with overcapacity in this sector, the Council adopted at the same time two amendments to existing regulations. The first of them allows a system of national aid to support investment in certain types of inland waterway infrastructure, particularly terminals, until 31 December 1999. The second amendment allows for the possibility of Community co-financing of national scrapping funds for boats.

■ A more modern customs

Customs in the 15 European Union countries are to be modernized, in order to improve the management of the single market, thanks to Customs 2000, an action programme adopted definitively¹ by the EU Council of Ministers on 26 November. The programme's budget has been fixed at ECU 50 million (1 ECU = GBP 0.75 or IEP 0.75) for the period ending 31 December 2000. Action under the programme will complement the activities of the Member States, and will be aimed in particular at strengthening the effectiveness of checks and procedures at the entry and exit points of the EU's customs territory.

■ Some 793 new Leonardo projects

As many as 793 vocational training projects, involving more than 10 000 partners, will receive a total of ECU 112.2 million from the EU budget. This is the outcome of the selection made by the European Commission and released on 28 November, following this year's call for proposals under the Leonardo da Vinci training programme. The five priority areas of the 1996 call for proposals are: the acquisition of new skills; bringing companies and vocational training establishments closer together; combating exclusion; promoting investment in training and the more widespread use of information technology in lifelong training. The Leonardo programme has its own page on the Internet, at the following address: <http://europa.eu.int/en/comm/dg22/leonardo.html>

■ Working Time Directive confirmed

The provisions of the European Working Time Directive of 23 November 1993 — covering such matters as rest periods, night work and length of the working week — relate to the health and safety of workers, and as such can be adopted by the EU Council of Ministers on the basis of a qualified majority. This was confirmed by the European Court of Justice, when it refused to abrogate the 1993 Directive, as sought by the United Kingdom, in a ruling it handed down on 12 November. The British Government had argued that the Directive required unanimity. The Court simply annulled the article which provides for Sunday to be included in the weekly rest period.

■ Exchanges between lawyers, civil servants

Legal practitioners working in one EU country will be able to familiarize themselves with the judicial and legal systems of other EU countries in the framework of the Grotius programme, adopted by the EU Council of Ministers on 29 October. With a budget of ECU 8.8 million for the period from 1996 to 2000, the programme will make possible exchanges and studies. For their part, officials from the police, security services and various administrations will learn production and verification techniques for identity documents in the other EU countries, thanks to the Sherlock programme. Designed to combat forgers over the same period of time, it has a budget of ECU 5 million.

■ For a multilingual information society

With a view both to ensuring that the information society is multilingual and reducing the cost of translators and interpreters, the EU Council of Ministers adopted definitively on 21 November a three-year programme. With a budget of ECU 15 million, the new programme will stimulate three major types of activities. It will encourage the computerization of dictionaries and terminologies in all the official languages of the European Union, and the compatibility of linguistic databanks and their organization into networks. The new programme will also stimulate the use of information and communication technologies for the work of translation and interpretation, mainly through shared-cost projects. Finally, it will encourage the use of these technologies in the public sector, for communication among the Fifteen.

■ Financing a universal service

Should the provision of universal service in the liberalized telecommunications market, set for 1 January 1998, involve additional costs, the European Union Member States will be able to finance such costs themselves if they so wish. But should they decide that the costs must be borne by the telecom operators, the financing scheme will have to conform to European rules. The European Commission therefore announced on 27 November the criteria it will use to decide whether the national financing schemes are in conformity with the EC Treaty and the liberalization principles. These schemes will cover only the 'net cost' of universal service and not the cost of other activities. They will have to be objective and non-discriminatory, and apportion costs among the operators equitably. The Member States must notify their national schemes to the European Commission before 11 January 1997. It will be recalled that the full liberalization of telecommunications services will take place between the end of 1998 and 2003 for the five countries entitled to derogations: Greece, Spain, Ireland, Luxembourg and Portugal.

□ IN BRIEF

The standard VAT rate will continue to be not less than 15% in the 15 European Union Member States until the end of 1998. The European Union finance ministers agreed on 2 December to keep to this minimum rate, which initially had been set for the period ending on 31 December 1996. They also undertook, by means of a separate declaration, to maintain until 31 December 1998 the present difference of 10 percentage points between the minimum statutory rate and the maximum rate of 25%, which is actually applied.

¹ After examination by the European Parliament.

ENVIRONMENTAL PROTECTION: A SHARED RESPONSIBILITY

European citizens are concerned about the state of the environment. They want their children and grandchildren to have the same right as we have to clean air, clear water and green forests. The European Union shares these concerns and has accepted the principle of sustainable development. Since 1992, the focus of EU environmental policy has been to match production and consumption patterns to what our environment can sustain in the long term. Climate change and the depletion of the ozone layer are two instances where the limits of sustainability may have been exceeded. Pre-1992, EU environmental policy concentrated on corrective action. This was not always successful, partly because there was no integrated approach between environmental protection and economic activities in other sectors which went on harming the environment. Now the EU promotes partnership and shared responsibility to prevent and, where possible, reverse environmental degradation. It seeks from a coalition of government, industry and consumers a commitment to conserve resources, to re-use and recycle old products, to dispose of waste safely and develop environment-friendly energy sources. As pollution knows no frontiers, the EU sees its policy as part of a global strategy to save the environment for future generations.

The challenge for Europe

We are engaged in a race against time. The need for a proactive policy to protect the environment is universally recognized in Europe and elsewhere.

Social progress and economic prosperity have depended on activities which deplete the earth's resources and cause pollution. The products we need and the vital services we use — from transportation to health-care systems — use these resources and create waste and pollution as by-products.

Historically our planet's remarkable regenerative capacity was able to cope with the environmental impact of human activity. But this capacity is now stretched beyond its limit. The two need to be brought back into balance as quickly as possible.

Our environment is threatened in many, often interrelated ways. There are no piecemeal responses; this is why the EU has developed an integrated overall strategy to reflect this reality.

What are the main threats? Global warming and the ensuing climate changes that could transform temperate zones of the earth into arid deserts and flood low-lying regions as ice caps melt is one prospect of environmental degradation that faces mankind. It is caused by the release into the atmosphere of green-

house gases, principally carbon dioxide (CO₂) from the burning of fossil fuels. Another consequence may be a sharp rise in skin cancers as the protective ozone layer in the upper atmosphere is depleted by man-made chemicals.

The environment is further threatened by acid rain (which affects in particular, forests and lakes in the northern regions of the EU), the destruction of tropical forests and the extinction of many species of animal and plant life.

The quality of water, both for drinking and bathing is another growing problem. More needs to be done to control agricultural pollution, while the supply of fresh water is causing problems in some areas of the EU. Disposing of the billions of tonnes of waste produced by our consumer society is another huge challenge. In the EU alone, more than 21 million tonnes of toxic waste have to be treated each year.

The EU's response

Since 1970, the Union has adopted more than 200 directives aimed at improving the quality of air and water, controlling waste disposal, monitoring industrial risk and protecting nature.

Key legislation sought to limit sulphur emissions that cause acid rain, to eliminate the use of certain ozone-depleting substances, to control the shipment and transport of hazardous waste or to set standards for bathing water at beaches throughout the EU. The thrust of the legislation was corrective rather than preventive.

This approach changed in 1992 with the adoption of an action programme entitled 'Towards sustainability'. This sets out a proactive EU strategy up to the year 2000 based on integrating environmental policy and the interests of those economic sectors which impact on the environment. These are sectors which at the same time depend on a good quality of environmental resources for their further development.

The objectives in this document — the EU's fifth environment action programme — were ambitious. They embodied the central theme of the 1992 Rio Earth Summit, the United Nations Conference on Environment and Development (UNCED).

The programme sought to integrate the environment into policy and practice in five key sectors: transport, manufacturing, energy, agriculture and tourism. It also set out to widen the range of environmental policy instruments to things like fiscal incentives and voluntary agreements. The strategy is based on partnership — between government, industry and consumers — and on shared responsibility among the main actors.

The aim of EU legislation is to set a framework of minimum requirements applicable throughout the EU. Individual Member States are free to fix national standards which are higher than those set at Union level. The programme laid down that all future EU policy-making had to incorporate environmental protection requirements. Draft laws and other policy instruments in agriculture or transport, as in other sectors, will each be assessed for their environmental impact before being submitted for adoption by member governments.

The main fiscal or economic incentives in favour of environmentally friendly goods and services were tax breaks for the purchase of low-emission automobiles and an EU-wide carbon/energy tax. The fifth programme also targeted better public information and education, support for R&D and other specific aid mechanisms.

Focus on priorities

Early in 1996, the European Commission published a progress report on the implementation of the fifth action programme and drew up a set of new priorities in view of the mixed progress achieved to date. Advances were made in several areas like cutting emissions of ozone-depleting substances, heavy metals and sulphur dioxide, nature conservation, waste management and disposal and industry-related risks. On the other hand, effective action is still needed in areas including climate change, the acidification of rivers and lakes, urban issues (including air quality, noise and waste) and a comprehensive policy on water.

The picture which emerges from the progress report, and from a 'State of the environment' paper from the European Environment Agency, is that many of the elements required to drive forward an integrated overall strategy are now in place or are being readied. The main doubts arise over the existence of the political will to take the necessary strategic action.

To give the process fresh impetus, the Commission quickly followed the progress report with the publication of an action plan confirming the strategy of the fifth programme and identifying priority areas. These include strengthening integration, broadening the policy instruments even further and improving the implementation of EU environment legislation by national governments.

In transportation, an area where progress has been particularly hard, new priorities must focus on better road vehicle emission and fuel standards as well as on a better balance between modes of transport. Elsewhere, extra efforts will be needed to promote energy saving and energy efficiency, and cut the use of fertilizers and pesticides in agriculture.

Small and medium-sized enterprises, the backbone of the European economy, must have better access to clean technology. To raise their levels of awareness, European citizens need more and better information.

Paying for a sound environment

EU environmental policy recognizes the environment as an economic resource with an intrinsic value of its own. It confirms the polluter-payer principle. But it stresses that 'green' economics can also be sound economics. Firms investing in clean state-of-the-art technology are at the same time investing in future economic and social development, which can increase their own competitiveness.

The Union recognizes the special need for financial support for its poorest members — Spain, Portugal, Greece and Ireland. The Cohesion Fund provides them with cash for environmental projects as a matter of priority.

In future, the debate is likely to focus increasingly on the use of fiscal instruments as a means of 'getting the price right'. The European Commission's 1993 White Paper on growth, competitiveness and employment aimed at stimulating debate on possible fiscal reforms, such as environmental taxes and other provisions to foster environmental protection or environmentally friendly behaviour.

Global action

The European Union is the world's biggest trading power, with the largest integrated market. Its Member States and their citizens have reached a significant level of economic well-being. The Union is therefore better placed than many countries and regions to put its own house in order and to give a lead to others. Environmental problems are posed in different terms in different parts of the world. In the EU and other advanced countries, the essential goal is to change consumption patterns. In central and eastern Europe, years of neglect and under-investment in pollution control (including the safety of nuclear reactors) has left a heritage of environmental degradation on the Union's doorstep which is now a primary target for EU action. Those countries which have applied to join the EU will have to adopt the existing body of EU environmental regulation before becoming members. This in itself will mark a significant step forward towards improving the environment in the EU. In developing countries, population pressure and poverty have created unsustainable development patterns.

The internal and external dimensions of the EU's environment policy are inextricably linked. The Union therefore has to play a lead role in the UN and other international bodies. In this context, the Commission published in February 1996 a policy paper on 'Trade and the environment', setting out ways in which free trade and environmental requirements can be mutually supportive and not contradictory as some people fear.

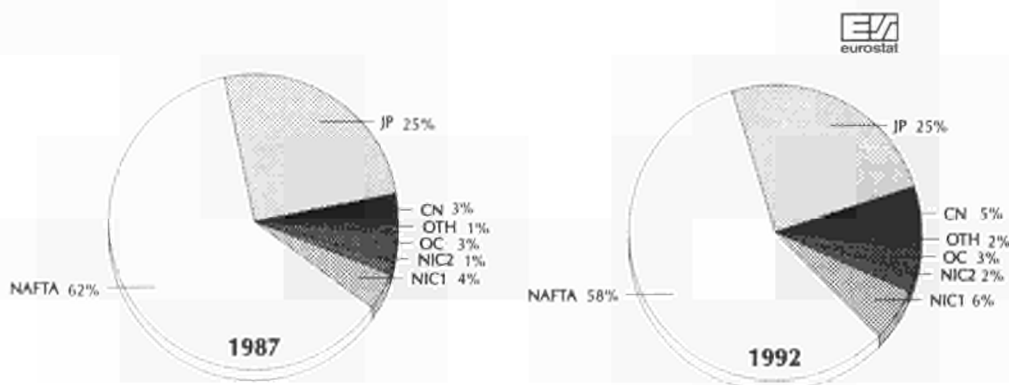
There is a perceptible feeling in Europe and further afield that many of the great environmental battles will be won or lost in the next few years. If we do not act before the 21st century, it may be too late.

European Union and the APEC countries (1)

The GDP of both the European Union and the APEC countries grew steadily during the period under observation (1987-1995), reaching ECU 5 678.3 billion and ECU 10 014.4 billion respectively

The pattern was similar until 1990. The European Union's growth in GDP then slowed down and was overtaken by the APEC countries in 1993. The share of each area in the total APEC figure reveals the growing importance of the new Asian economies, while Japan and NAFTA are like the EU in recording periods of sluggish growth

Breakdown of APEC GDP by area



CN = China JP = Japan OC = Oceania OTH = Other countries

(1) APEC (Asia-Pacific Economic Cooperation) comprises: NAFTA (Canada, United States and Mexico), NIC1 (Hong Kong, South Korea, Singapore and Taiwan), NIC2 (Malaysia, Philippines and Thailand), Oceania (Australia and New Zealand), China, Japan and other countries (Chile and Indonesia).

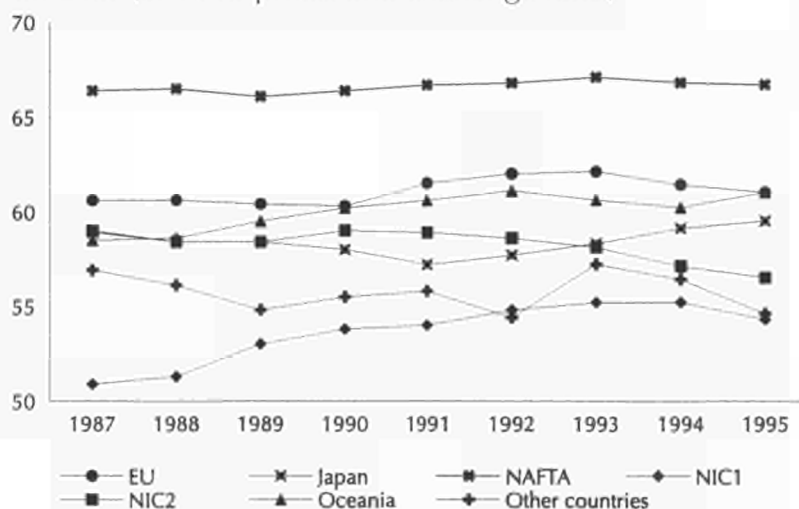
Gross domestic product in ECU billion (thousand million) at 1990 prices and exchange rates

	1987	1988	1989	1990	1991	1992	1993	1994	1995
EU	4 680.6	4 874.0	5 044.2	5 193.6	5 369.1	5 420.3	5 388.5	5 541.8	5 678.3
1990=100	90.1	93.8	97.1	100.0	103.4	104.4	103.8	106.7	109.3
APEC	7 885.7	8 276.1	8 608.2	8 852.3	8 978.7	9 230.3	9 455.4	9 784.4	10 014.4
1990=100	89.3	93.5	97.3	100.0	101.2	103.7	105.7	109.0	111.1

Private consumption as a percentage of GDP remained fairly stable in the EU throughout the period under observation (approximately 61 %)

NAFTA had the highest percentage of private consumption among the APEC areas. For the NIC1 countries, the figure rose 3.4 points between 1987 and 1995. In Japan it declined during the first five years but then increased in the years up to 1995. NIC2 is the only area with an overall reduction since 1987 (-3.7 points).

Private consumption as percentage of GDP based on ECU (at 1990 prices and exchange rates)



Private consumption as percentage of GDP based on ECU (at 1990 prices and exchange rates)

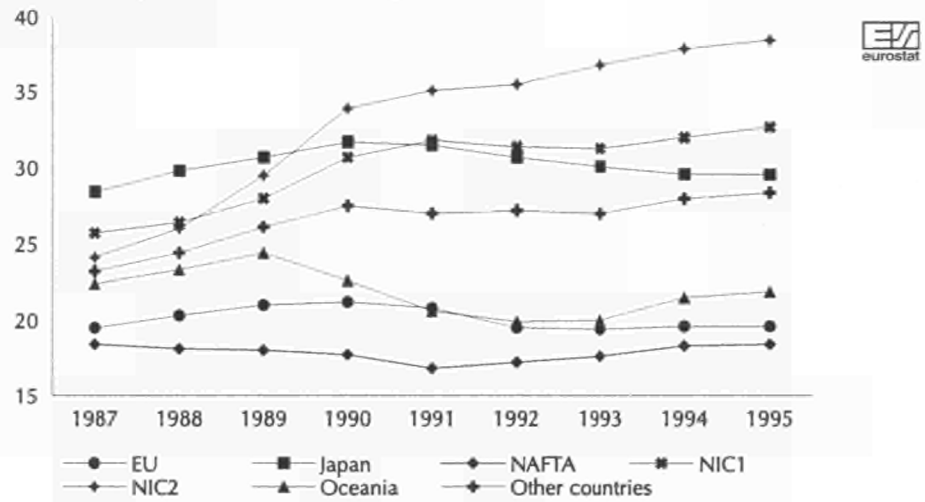
	1987	1988	1989	1990	1991	1992	1993	1994	1995
EU	60.6	60.6	60.4	60.3	61.5	62.0	62.1	61.4	61.0
APEC *	63.3	63.1	62.9	63.0	62.9	63.1	63.5	63.5	63.4

* Excluding China

In the EU, gross fixed capital formation (GFCF) as a percentage of GDP followed a period of growth until 1991 with a reversal of the trend, with the result that the 1995 figure was the same as in 1987 (19.6%)

Japan recorded the highest GFCF rates until 1990 (31.7%) but was then overtaken from 1991 by NIC1 (32.7%) and NIC2 (38.5%), with the latter experiencing the highest GFCF growth of all the APEC areas. NAFTA had the lowest rate (18.4%).

Gross fixed capital formation as a percentage of GDP based on ecu (at 1990 prices and exchange rates)



Gross fixed capital formation as a percentage of GDP based on ECU (at 1990 prices and exchange rates)

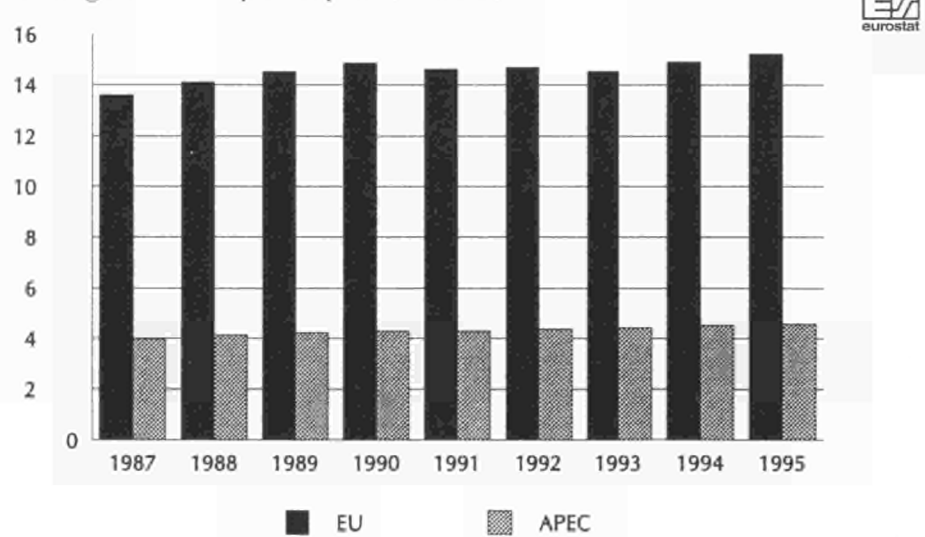
	1987	1988	1989	1990	1991	1992	1993	1994	1995
EU	19.5	20.3	21.0	21.2	20.8	19.5	19.4	19.6	19.6
APEC *	21.6	22.0	22.4	22.7	22.3	22.3	22.3	22.7	22.9

* Excluding China

During the period in question, GDP per capita grew in every area, although certain areas occasionally experienced negative growth, such as the European Union (in 1991 and 1993), NAFTA (1994) and Oceania (1990-91)

Japan recorded the biggest rise in absolute terms (ECU 3 541, up by 21.7%). In contrast, China had the smallest increase in absolute terms (ECU 200) but the highest growth rate (87.2%). There were also significant increases recorded in NIC1, NIC2 and other countries.

Change in GDP per capita (in ECU)



GDP per capita (in ECU)

	EU	APEC	China	Japan	NAFTA	NIC1	NIC2	Oceania	Other
1987	13 586.0	3 989.4	218.0	16 329.7	13 923.6	4 751.2	809.0	12 427.2	582.0
1995	15 224.4	4 577.3	407.8	19 870.8	14 904.0	7 719.9	1 279.3	12 427.2	582.0

The European Commission can now carry out checks and verifications at company premises, in collaboration with the national authorities, in all areas of activity covered by the European Community, European Coal and Steel Community and Euratom treaties. The EU Council of Ministers adopted on 11 November a regulation which gives this possibility to the Commission's special unit for the coordination of fraud prevention (UCLAF).

The European Commission decided on 28 November to lift the immunity from fines of companies belonging to TACA (the Trans-Atlantic Conference Agreement). According to the Commission, the agreement between these 17 companies on the setting of rates for land transport violates EU competition rules, and cannot be justified on technical grounds. The TACA brings together maritime companies from around the world, including six EU companies.

In the framework of its SEM 2000 programme, for sound and effective management, the European Commission announced on 6 November new measures aimed at preventing fraud. The aim is to multiply and rationalize checks on its own departments, in order to concentrate on payments where risks of fraud are highest. The Commission has also decided to have its own financial control department and anti-fraud unit verify all legislative proposals which involve expenditure of funds.

The telecommunications timetable for Ireland was approved by the European Commission on 27 November. Alternative infrastructure providers will be allowed to enter the Irish market from 1 July 1997 and direct international GSM connections will be authorized from 1 January 1999, with full liberalization set for 1 January 2000. Ireland was entitled to ask for a derogation until 2003.

Groundhandling services at airports will be liberalized on 1 July 1998 in the case of self-handling firms and later in the case of those handling for third parties — that is, from 1 January 1999 for airports handling annually not less than three million passengers or 75 000 tonnes of freight and from 1 January 2001 for airports with annual traffic of not less than two million passengers or 50 000 tonnes of freight. These measures are contained in a Directive adopted by the EU Council of Ministers on 15 October.

All new models of cars and vans which have been authorized after 1 October 1998 to be put on sale, will have to pass a frontal collision test prepared on the basis of new standards. The EU Council of Ministers adopted on 25 October¹ a Directive setting out testing methods which reproduce road accidents more faithfully than is the case at present.

With a view to combating fraud in the use of Community transit procedures for trade with non-EU countries, the EU Council of Ministers has increased the amount of the overall guarantee for non-sensitive products. It has been set at 100% of the customs duties and other charges, with a minimum of ECU 7 000, under the terms of a Regulation the Council adopted on 25 October. The guarantee can be reduced to 30% of duties and charges, in the case of bona fide firms which meet certain conditions.

Having examined the level of public deficits in Greece, Spain and Portugal, the European Commission decided on 6 November to continue to aid these countries through payments from the EU's Cohesion Fund. The Fund stimulates investments in the less well-off EU countries — the three mentioned earlier plus Ireland. However, the countries in question must meet certain budgetary objectives if their deficits are excessive in the context of the Maastricht Treaty, before the Fund can intervene.

The EU Council of Ministers agreed on 28 November to common action by all 15 Member States, with a view to strengthening cooperation between customs administrations and professional bodies. The aim is to prevent drug traffickers from using the premises and services of such organizations to conduct their activities.

All EU Regulations on the social security of workers, both wage- and non-wage-earning, who move from one EU country to another, are to be found now in a single, updated text. The EU Council of Ministers adopted on 2 December a regulation codifying this material, so as to make it easier to understand.

The European Commission adopted on 29 November the ecological criteria for refrigerators, freezers and combinations of the two. Appliances which meet these criteria will be entitled to the European eco-label, a flower with 12 stars, surrounding a stylized letter 'E'. The eco-label indicates that the appliance in question is environment-friendly, both during manufacture and in use.

SINGLE MARKET: A CALL TO ACTION

The European Commission has made a number of recommendations in its report on the impact and effectiveness of the single market, adopted on 30 October. The report is based on 38 studies on the impact of the single market, carried out on the Commission's behalf (see p. 1). The suggested measures include checking on national measures for implementing European rules, speeding-up Commission infringement proceedings and monitoring the working of the single market. The Commission is also thinking of opening a register of national measures which fragment the single market and exchanging information with the Fifteen on their efforts to simplify their legislation. The Commission has undertaken the task of simplification at the European level (see below). The Commission's report underlines the need still to complete the legislative framework for the single market, including the measures provided for in the 1985 White Paper. What remains to be done in this connection includes eliminating border checks on people, introducing a definitive system of VAT, eliminating double taxation and instituting a European system of company law. As of 22 November, 93.8% on average of the measures set out in the White Paper and already in force, had been transposed by the Member States. The transposition rates ranged from 99.1% for Denmark and 98.6% for the Netherlands to 88.1% for Germany and 84.5% for Austria.

● The Italian lira returns to the EMS

The Italian Government decided on 24 November to reintegrate the lira in the exchange rate mechanism of the European Monetary System (EMS), which the Italian currency had to leave on 17 September 1992. On the same day the finance ministers and central bank governors of the 15 Member States met in Brussels, and agreed to the terms for the lira's return to the EMS, particularly its new central parity rate of ITL 1 906.48 to the Ecu. The Italian currency actually returned to the EMS on 25 November. The European Union finance ministers, the central bankers and the European Commission took the view that the Italian economy had already made a substantial adjustment. The Italian Government, for its part, undertook to complete the process, with a view to economic and monetary union.

● Simplification, Act I

Single market legislation can be completely simplified, even in the short term. This is the conclusion reached by the European Commission in a report adopted on 6 November, after the first stage of the SLIM project, aimed at proposing a simplification of the rules in force in four sectors: the Intrastat system for gathering statistics on trade among the 15 European Union countries; building products; the mutual recognition of diplomas; and ornamental plants. The SLIM project has developed a method of working which has made it possible to suggest simplification measures by bringing together national administrations, the European Commission and those using the various laws and regulations. The success of the operation now depends, in the Commission's view, on the will of the EU Council of Ministers to review existing legislation by adopting the modifications it will be putting forward. The Commission has stressed in its report that national over-regulation is an obstacle to the single market.

¹ After examination by the European Parliament.

● What to do about public procurement

The legislative framework designed to open public procurement to competition in the 15-nation European Union is in place. However, the task of transposing European rules into national legislation has not been carried out fully, so that the economic impact of the single market is still limited. What can be done to improve this situation substantially? This is the key question posed by the European Commission in a Green Paper it adopted on 27 November, in order to consult all who are interested in the main aspects of the problem. The Commission is seeking their views not only on the question of transposing and implementing European rules in this area, but also on ways of improving suppliers' access to public procurement through the spread of information and training, and the computerization of the procedures in question. The Commission is also thinking in terms of better coordination between action in favour of public procurement and other European policies, particularly those relating to small and medium-sized enterprises (SMEs), standards, trans-European networks and regional aid. The Commission looks forward to receiving views in writing by 30 March 1997 at the latest.

○ IN BRIEF

The first quotation of a company's shares on Easdaq (the European Association of Securities Dealers automatic quotation) was recorded on 28 November. Easdaq is the first European stock exchange for small but rapidly growing companies. Similar to the American Nasdaq, it had been missing so far from Europe's financial landscape.

Jobs are the first of the six major challenges which the European Foundation for the Improvement of Living and Working Conditions plans to take up in its programme for 1997-2000, which was presented on 18 November. The other challenges are equality of opportunity for women and men; health and well-being at the workplace and away from it; sustainable development; social cohesion, with the fight against exclusion; and participation in decision-making. The task of the Foundation is to develop and disseminate knowledge in its area of competence at the European level.

The European Commission proposed on 26 November that packaging manufacturers wanting to draw attention to the fact that their products can be reused or recycled do so using specifically European symbols. However, the use of a symbol would not become binding in itself.

When State, regional or local authorities sell a plot of land to a company through an open and unconditional procedure, the European Commission takes the view that, on the face of it, the sale does not involve hidden State aid. It made this clear in a communication adopted on 20 November. State aid is banned in principle under the EU's competition rules.

By dialling — free of charge — 0800 581 591 in the United Kingdom and 1 800 55 31 88 in Ireland — you can find out all you want to know about the rights of European citizens, thanks to the operation, Citizens First, launched by the European Commission on 26 November. These Freephone numbers allow callers to ask for general information, available in the form of practical guides — such as *Working in another EU country* — or for more detailed information, available on factsheets. Each factsheet covers a given country — the United Kingdom, for example, and contains useful addresses and telephone numbers.

SEEN FROM ABROAD

► Malta moves away

Following the victory of the Labour Party in the last general elections in Malta, the new Prime Minister, Alfred Sant, officially declared on 30 October that his country no longer wished to join the European Union. Mr Sant, who was in the opposition before the 27 October elections, had promised during the election campaign not to proceed with Malta's application for EU membership, which had been submitted by the previous government. Since then the country's representatives have stopped taking part in the meetings organized by the EU Council of Ministers with the applicants for membership. However, the Maltese Government has not thought it 'technically necessary' to withdraw formally the country's membership application, as its Deputy Prime Minister, George Vella, explained in Brussels on 25 November.

SMEs

In order to target its publications more effectively, the European Commission has decided, as regards *Frontier-free Europe*, to focus it more strongly on the theme of the single market. It was this which had justified the publication's creation in 1988 as *Objective 92*, and it provides an even greater justification today. Those of our readers who are particularly interested in the section devoted to SMEs, which we have published so far, are invited to turn to the newsletter specializing in this subject, *Euro-Info*. It is published by Directorate-General XXIII, which deals with enterprise policy, the distributive trades, tourism and cooperatives. To take out a subscription to *Euro-Info* for SMEs and craft industry, please write to the European Commission, DG XXIII, Attn Ms Paola Piccarolo — *Euro-Info*, rue de la Loi 200 (AN 80), B-1049 Brussels (Fax: +32 2 299 27 69).

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OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES
L-2985 Luxembourg

Catalogue number: CC-AI-97-001-EN-C