

IMPORTANT LEGAL NOTICE - The information on this site is subject to a [disclaimer](#) and a [copyright](#) notice.



Europa

The European
Commission

Enlargement

en

Enlargement

SELECT A COUNTRY

Countries

Topics

News

Library

Contacts

Enlargement Weekly

26 November 2001

Welcome to Enlargement Weekly. This weekly bulletin provides an overview of where European Union enlargement has got to, who's doing what in the EU, in the institutions and candidate countries, and how the main challenges are being met.

Articles this week



[A dip, then a rise, for candidates' economies](#)



[EU Ministers note Regular Reports, reflect on future](#)



[Association Councils with the Czech Republic, Poland and Bulgaria](#)



[Enlargement news in brief](#)



[Enlargement agenda](#)

★
KEY ISSUES!
WHAT'S NEW

FAQ

@
MAIL-BOXAz
INDEX?
SEARCHi
INFORMATIONFV
FEEDBACK

A DIP, THEN A RISE, FOR CANDIDATES' ECONOMIES

Economic growth has dipped in the candidate countries, but should pick up again in 2003, according to the latest analysis from the European Commission.

In its just-published autumn 2001 forecasts for 2001-2003, the Commission has revised downwards its earlier predictions for 2001 and 2002, because of the recent deterioration in the international economic environment. In particular, export market growth for the candidates in central and eastern Europe will fall from 12% in 2000 to 4% in 2001 and 2002, as a result of slower growth in the EU countries with which they trade most.

The economic slowdown after the two financial crises in Turkey is significantly sharper than expected, with 2001 showing a decline of more than 6%, and with prospects for 2002 and 2003 dependent on structural reforms and the markets' perceptions. If one excludes the Turkish economy from the analysis, the candidates are likely to grow overall by 3.1% in 2001 and 2002. For Poland, the deceleration is

particularly marked, since domestic demand growth has faded in the face of a poorly co-ordinated policy mix and tight monetary conditions, the Commission says.

By contrast, the Czech Republic, Romania and Slovakia - where 2000 growth was subdued by tight policies or macroeconomic stabilisation programmes - are expected to see faster growth in 2001 and 2002. Latvia, Estonia and Romania are expected to see the highest growth, with the Baltic countries benefiting from high Russian growth and increased oil transit, and Romania harvesting the results of serious economic reform.

A return to higher growth is predicted in 2003, when external conditions are expected to become more favourable and inflation to decline. Economic growth in most of the candidate countries will be fully driven by increasing domestic demand, with relatively high real wage growth supporting private consumption. Investment growth should remain strong, except in Poland. In Bulgaria and Slovakia, gross fixed capital formation is also benefiting from higher post-privatisation foreign direct investment inflows.

Meanwhile, the foreign-owned companies that make up much of the growing enterprise sector in the candidate countries are showing no signs of significant reductions of activity or investment there. Unemployment rates vary widely across the candidates, from less than 5% in Cyprus to more than 18% in Bulgaria, Poland and Slovakia. But unemployment is not expected to decline in the next two years. It is from the restructuring of older domestic enterprises that unemployment will continue to come, with Bulgaria, Lithuania, and Poland particularly affected - although employment has been growing in Cyprus, Hungary, Malta and Slovenia.

The Commission also warns that Romania and Turkey could be particularly affected by the decline in international capital flows to emerging markets in a more uncertain world economy. So could other candidates still needing significant structural reform and privatisation, or that are close to conflict areas.

The Commission services are gradually building up their forecasting capacity for the candidate countries. The aim is to fully integrate them in the forecasting exercise for the EU member states by the time of accession. But at present the data from candidate countries are still not always sufficiently detailed and timely.

EU MINISTERS NOTE REGULAR REPORTS, REFLECT ON FUTURE

EU foreign ministers at the General Affairs Council of November 19 listened to European Enlargement Commissioner Günter Verheugen's presentation of the Commission's regular reports on the candidate countries, the new accession partnerships, and the strategy paper for enlargement, adopted by the Commission on November 13.

The Presidency said the work was "excellent", and should allow the pace of negotiations to be continued. Ministers decided to review enlargement in more depth at their December 10 meeting, so as to prepare the position for the Laeken EU summit on December 14. The Belgian Presidency of the EU is to prepare a note to guide the reflections.

But there were also some immediate reactions from ministers at the General Affairs Council. In particular, France's foreign minister, Hubert Vedrine, stimulated debate with a suggestion that the EU might, he speculated, consider simultaneously bringing into the EU all the twelve candidates currently negotiating their accession. Vedrine's comments were greeted as an interesting contribution to the debate by the Belgian Presidency. But they provoked diverse reactions from candidate countries. While Romanian and Bulgarian politicians welcomed the idea as a gesture towards

solidarity, leading figures in the candidates that are aiming for 2004 accession expressed concern that a decision to bring all twelve in at the same time could risk delaying accession for the countries that would be ready soonest.

ASSOCIATION COUNCILS WITH THE CZECH REPUBLIC, POLAND AND BULGARIA

The EU held Association Councils with three of the candidate countries in Brussels on November 20, on the fringes of the General Affairs Council. Association Councils provide an annual opportunity at foreign minister level to review bilateral relations under the Europe Agreement that each candidate has with the EU, and they have also become a forum for discussion of pre-accession preparations. The customary format is for the EU to be represented by the current and future Presidencies and by a Commissioner or senior Commission official: at last week's meetings, Annemie Neyts-Uyttebroeck, minister of state for foreign affairs of Belgium acted as President-in-Office of the Council, and Spanish state secretary Ramon de Miguel represented the upcoming Presidency, while Eneko Landaburu, Director General for Enlargement, represented the Commission.

Jan Kavan, Minister of Foreign Affairs of the Czech Republic, headed the Czech delegation at the meeting of the EU-Czech Association Council. The Council welcomed the efforts of the Czech Government to improve the situation of the Roma minority by implementing the Government's Roma strategy, and stressed the importance of continuing these efforts. It also noted with satisfaction that progress has been made in the sphere of reform of the judicial system and encouraged the Czech Republic to adopt a Civil Service Law for its public administration and to make continued efforts to strengthen the fight against corruption. The EU noted with concern the Czech Republic's postponement of the closure of duty free shops at land borders until 31 December 2003.

The recent decision to create a joint consultative committee between the Committee of Regions and the Czech regions and municipalities was greeted with satisfaction, and note was taken of the wish expressed by the Czech side to establish a joint consultative committee between the Economic and Social Committee and the representatives of the Czech economic and social partners.

The EU-Poland Association Council was remarkable more for the news that Poland was revising its earlier tough stance on land acquisition and freedom of movement of workers than for its formal agenda. Poland said it could be ready to accept the EU demand for transitional provisions which could keep Polish salaried workers out of EU countries for as much as seven years after it joins the EU – although Poland has made it clear it will be seeking exemptions on a bilateral basis from the current EU member states. And Poland reduced its own demand for transitional provisions to protect Polish land against foreign acquisition – instead of 18 years after accession, it now wants protection to run for only twelve years (although this is still longer than the seven years that EU has indicated it might be ready to concede for such protection).

Nonetheless, the meeting was not without some historical interest, in part because it was chaired by Włodzimierz Cimoszewicz, now the new minister for foreign affairs of Poland, and formerly Prime Minister. The Association Council noted the progress made by Poland in the reform of the judiciary, and underlined the importance of continuing the work already undertaken in this field. And it encouraged Poland to intensify efforts as regards the fight against corruption and to pursue the implementation of the Civil Service Law, in order to ensure the further development of an independent and professional civil service.

The meeting welcomed the decision taken by the Polish government to place a realistic limit on the size of the budget deficit for 2002 and underlined the need for

Poland to take appropriate measures so as to ensure financial stability. The ambitious legislative programme adopted by the new Polish government was acknowledged, as was substantial progress made in adopting the necessary legislation in a number of fields under the government that left office in October.

There was a welcome for the revision of the Polish steel restructuring plan and the adoption of the law on steel restructuring, and the Council looked forward to the finalisation of the plan, with a view to ensure an economically viable steel industry in Poland.

Solomon Passy, the new minister for foreign affairs of Bulgaria, headed the Bulgarian delegation at its Association Council. The meeting welcomed the adoption by the Bulgarian government of a strategy on reform of the judicial system and recalled the importance of ensuring a strong, independent, effective and professional judicial system able to guarantee full respect for the rule of law and effective participation in the internal market. It also welcomed the adoption by the Bulgarian Government of a strategy to tackle corruption and noted the progress made in implementing the Civil Service Law. And it encouraged Bulgaria to pursue its work to develop effective and transparent public administration.

The Association Council welcomed the commitment by Bulgaria to amend the law on foreign investment by the end of 2001 in order to bring it into line with the Europe Agreement. It noted that Bulgaria is starting to develop and implement a framework for state aids, but recalled that Bulgaria still needs to make progress in order to have an effective state aid control system in line with the acquis. A restructuring plan for the steel sector is still needed, in order to assure a future for an economically viable Bulgarian steel industry, the meeting's conclusions point out.

Enlargement news in brief

New president for Bulgaria

The only candidate country that has a former king as its Prime Minister is now also to have a former communist as its president. On November 18, in the second round of voting, Georgi Parvanov, the Socialist Party candidate, and a former communist, came out clearly ahead of Peter Stoyanov, who has lost his bid for a second term as Bulgaria's president. Parvanov, who took 55% of the vote, had campaigned on a promise of "social engagement", targeting poverty, corruption and crime. He said after the election that EU and NATO membership were also key targets, but indicated that this might be a slower process than had been predicted. His running mate, and the country's new vice-president, is Angel Marin, a former general. Stoyanov ran as an independent, but he was nonetheless linked to the Union of Democratic Forces, to which he used to belong, and which lost governmental office earlier this year.

Pigmeat can come from Poland

The European Union is to allow imports of fresh pork from Poland, for the first time. EU concerns over animal health, in particular classical swine fever, have until now ruled out this trade. But a Polish control and surveillance programme, a favourable report in May from the Commission's Food and Veterinary Office, and the introduction of the new Polish veterinary law during September have persuaded EU experts that it is now appropriate to authorise Poland to export fresh pig meat to the EU. Meat eligible for export will come from holdings where pigs are not fed with catering waste.

Latvia leaps ahead on environment

European Environment Commissioner Margot Wallström last week congratulated Latvia on its success in its enlargement negotiations on environment. The EU Council of Ministers enlargement working group has just reached a political agreement on how Latvia should adapt to EU environmental legislation - the EU position will be formally presented to Latvia next week. On her first official visit to the country, Wallström said: "It's a good result for Latvia, for the European Union - and for the environment. Latvia has taken a giant step forward on its way to membership of the EU in the very near future".

More aid for Austro-Hungarian cross-border co-operation

The European Commission is to finance a new co-operation programme between Austria and Hungary with more than € 30 million from the EU's Interreg III fund. The five-year project covers the Austrian federal states of Burgenland and Vienna, the southern surrounding area of Vienna, the region of southern Niederösterreich and the Hungarian "Komitate" Győr-Moson-Sopron, Vas and Zala - with a total population of 3.4 million. The main projects will be in the areas of infrastructure and economic development.

EU welcome for Estonian language law change

The Presidency of the European Union welcomed the abolition by the Estonian Parliament on 21 November of the language requirements for citizens standing in local or parliamentary elections. It says the decision is "an important step in the on-going integration process in Estonia". Rolf Ekeus, High Commissioner for National Minorities of the OSCE, stated that the amendments to the election codes voted by the Estonian Parliament have brought Estonian legislation into line with the country's international obligations.

Part of Slovakia's Phare money still on hold

The European Commission praised Slovakia's significant progress in improving its management system and supervision of pre-accession funds at a meeting in Brussels last week, but it is still not clear whether the blocked funds for Slovakia will be released. 10% of Slovakia's Phare funding for 2001 has been held back because of concerns over fund management, following questions earlier this year over the way that Slovakia was handling some of its contracts. The questions led to the resignation of a minister and a senior official, and an investigation by the EU's anti-fraud office, OLAF, is still underway. The European Commission's negotiator with Slovakia, Dirk Meganck, said the decision to provide the suspended money will have to be made at a political level.

Hungary's Prime Minister says "ten is too many" for first wave

Hungary's Prime Minister, Viktor Orban, said last week that the entire EU enlargement exercise could be put at risk if too many candidates with different levels of readiness joined the EU at the same time. Speaking at a meeting in Budapest of the European People's Party - the political group with the largest number of seats in the European Parliament - he said that although there appeared to be growing support for bringing in ten candidates simultaneously in 2004, such a move could have serious disruptive consequences for the EU.

Drug abuse growing in central and Eastern Europe

A just-released annual report from the European drugs monitoring agency, ECDDM, includes a section on the candidate countries, which identifies disturbing trends in drug use. It says there is an increase in the percentage of the general population, especially schoolchildren, who have tried illicit drugs at least once in their lifetime.

There is an increase in demand for treatment, mostly for opiate dependency. Imported heroin is increasingly taking the place of locally produced opiates, and there is a spread of drug use from major urban centres to all regions. According to data collected by a survey of European schools, lifetime experience of illicit drug use among schoolchildren (15 to 16-year-olds) doubled between 1995 and 1999 in all central and east European countries, except in the Czech Republic, where usage was already quite high and increased one and a half times.

EU-Lithuania joint parliamentary committee

The EU-Lithuania joint parliamentary committee met in Brussels on 20-21 November, and welcomed the statement in the Commission's new enlargement strategy paper (released on November 13 – see last issue of Enlargement Weekly)) that there is a sufficient basis for accession of up to ten new member states. Given the present pace of the negotiations, the Union should be prepared to conclude accession negotiations by the end of 2002 and welcome the new member states in 2004, the meeting agreed, but it stressed that such a timetable is dependent on the candidate countries sustaining efforts to adopt, implement and enforce the full *acquis*.

Agenda

| Date | Event |
|-------------------------|--|
| November | |
| Monday 26 th | European Parliament committee on culture, youth, education, the media and sports holds a hearing on culture in the candidate countries. In addition to Euro-MPs, the speakers include Martin Kovac of the National Trust of Slovakia, Joan Correa of the Federation of European Film Directors, Professor Dragan Klaic of the University of Amsterdam Theatre Studies Department, and Dr Jeño Kaltenbach, Parliamentary Commissioner for the Rights of National and Ethnic Minorities of the Republic of Hungary |
| Monday 26 th | Agriculture Commissioner Franz Fischler visits Romania, and meets prime minister Adrian Nastase, agriculture minister Ilie Sarbu, and European integration minister Hildegard Puwak. He will also visit the Sapard agency, and speak at a seminar on agriculture at the Parliament. |
| Monday 26 th | The Joint Consultative Committee between the EU Committee of the Regions and Poland will hold its inaugural meeting, with the President of the Committee of the Regions, Jos Chabert, and Poland's Foreign Affairs Minister, Włodzimierz Cimoszewicz, Warsaw. |
| Monday 26 th | European Environment Commissioner Margot Wallström receives the Bulgarian minister of the environment, Dolores Arsenova, the Romanian minister of the environment, Aurel Constantin Ilie, and the Hungarian minister of the environment, Bela Turi-Kovács, Brussels |
| Monday 26 th | EU Council of Ministers enlargement working group meets, Brussels |
| Monday 26 th | European Budget Commissioner Michael Schreyer takes part |

| | |
|---|---|
| | in the meeting of the supreme audit institutions of the candidate countries, Cyprus |
| Monday 26th | European Employment and Social Affairs Commissioner Ana Diamantopoulou signs a joint employment evaluation paper with Slovakia, Brussels |
| Monday 26th | EU Council of Ministers central Europe working group meets, Brussels |
| Monday 26 th - Tuesday 27th | Antonio Vitorino, Commissioner for justice and home affairs, visits Hungary, and meets prime minister Viktor Orban, foreign affairs minister Janos Martonyi, interior minister Sandor Pinter, justice minister Ibolya David, chief prosecutor Peter Polt and Supreme Court president Pal Solt. |
| Tuesday 27th | European Environment Commissioner Margot Wallström and Magda Aelvoet, President of the EU Environment Council, discuss environmental aspects of enlargement with ministers from the thirteen candidates. During the meeting the Commissioner will make the annual awards for the candidate country cities that have performed well in compliance with EU environmental laws. Brussels |
| Tuesday 27th | EU Council of Ministers enlargement working group meets, Brussels |
| Tuesday 27th | EU Council of Ministers CIREFI group meets with candidate countries meets, Brussels |
| Tuesday 27th | Energy Charter working group meets, Brussels |
| Tuesday 27th, Wednesday 28th | Enlargement negotiations at ambassadorial level, Brussels. |
| Wednesday 28th | EU Military Committee meets with candidate countries |
| Wednesday 28th | European Competition Commissioner Mario Monti receives the deputy prime minister and Minister of Industry and Trade of the Czech Republic, Miroslav Gregr, Brussels |
| Wednesday 28 th | European Enterprise Commissioner Erkki Liikanen receives the deputy prime minister and Minister of Industry and Trade of the Czech Republic, Miroslav Gregr, the minister of industry and commerce, Jiri Rusnok, and information society minister Karel Brezina, Brussels |
| Wednesday 28 th | European Parliament plenary session holds a joint debate on the future of the Union and the upcoming Laeken summit – which will examine both enlargement and the place of the candidate countries in the discussions on the future of Europe. Brussels |
| Thursday 29th | European Enlargement Commissioner Günter Verheugen receives Rolf Ekeus, OECD high commissioner for national minorities, Brussels |
| Thursday 29th- | EU-Estonia joint parliamentary committee, Brussels |

Friday 30th

Thursday 29th European Agriculture Commissioner Franz Fischler visits Slovakia, and meets deputy prime minister responsible for European integration Mária Kadleciková, foreign minister Eduard Kukan, and agriculture minister Pavel Koncoš, as well as representatives of the agriculture and food sector.

Friday 30th European Enlargement Commissioner Günter Verheugen receives the Belgian state secretary for foreign affairs, Annemie Neyts.

Friday 30th European Research Commission Philippe Busquin receives the Polish research minister, Michal Kleiber, Brussels

Friday 30th EU Council of Ministers enlargement working group meets, Brussels

December

Sunday 2nd to Thursday 6th Belgian deputy foreign affairs minister Annemie Neyts visits Cyprus, Turkey, the Czech Republic and Hungary on her pre-Laeken tour of the candidate countries

Monday 3rd European External Relations Commissioner Chris Patten visits Romania

Monday 3rd, Tuesday 4th EU-Czech joint parliamentary committee meets, Brussels

Tuesday 4th, Wednesday 5th Commission Director-General for Enlargement Eneko Landaburu visits Latvia

Thursday 6th - Friday 7th European Employment and Social Affairs Commissioner Anna Diamantopoulou visits Cyprus

Monday 10th EU foreign ministers will review in depth the European Commission's regular reports on the candidate countries and the strategy paper for enlargement at the General Affairs Council, Brussels.

Tuesday 11th Enlargement negotiations at ministerial level, Brussels.

Friday 14th European Council, Laeken

Monday 17th European Enlargement Commissioner Günter Verheugen visits Romania

Archives

ENLARGEMENT WEEKLY is prepared for the Information Unit of the Enlargement Directorate General of the European Commission. As part of its communication strategy on enlargement, the Commission makes this bulletin publicly available. Comments are welcome and should be addressed by e-mail to enlargement@cec.eu.int.

© Web design: Martine Withofs

[\[Enlargement Home\]](#) [\[European Commission's Directorates General\]](#)