

Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1998/2111(COS)	Procedure completed
Single market, 2nd scoreboard, May 1998: progress of the action plan SMAP		
Subject 2 Internal market, single market		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy	PPE GARCÍA-MARGALLO Y MARFIL José Manuel	21/01/1998
	Committee for opinion	Rapporteur for opinion	Appointed
	JURI Legal Affairs, Citizens' Rights	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Competitiveness (Internal Market, Industry, Research and Space)	2130	09/11/1998

Key events			
18/05/1998	Non-legislative basic document published	SEC(1998)0889	Summary
15/07/1998	Committee referral announced in Parliament		
28/10/1998	Vote in committee		Summary
28/10/1998	Committee report tabled for plenary	A4-0402/1998	
09/11/1998	Debate in Council	2130	
18/12/1998	Debate in Parliament		
18/12/1998	Decision by Parliament	T4-0776/1998	Summary
18/12/1998	End of procedure in Parliament		
09/04/1999	Final act published in Official Journal		

Technical information	
Procedure reference	1998/2111(COS)

Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/10082

Documentation gateway

Non-legislative basic document		SEC(1998)0889	18/05/1998	EC	Summary
Committee report tabled for plenary, single reading		A4-0402/1998 OJ C 379 07.12.1998, p. 0005	28/10/1998	EP	
Text adopted by Parliament, single reading		T4-0776/1998 OJ C 098 09.04.1999, p. 0484-0509	18/12/1998	EP	Summary

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OBJECTIVE: to provide a summary balance sheet of the state of progress of the single market with regard to the 1997 Single Market Action Plan. **SUBSTANCE:** This Commission working document, which takes the place of the annual report on the single market, summarises the state of progress in implementing the single market. It is presented in the form of a scoreboard or summary of statistics and indicators on completion of the single market. It also indicates progress made in fulfilling commitments made by the Member States and the Commission under the Single Market Action Plan (COS0555). The document states that of the 62 commitments entered into by the Commission, Member States and Parliament, only 23 have been met. These include the landmark agreement on the 'tax package' (December 1997) and the political adoption of three of the four measures designated in the Action Plan as priorities (biotechnology, gas liberalisation and transparency mechanism for services). The Commission has taken important steps to modernise competition rules and advance the process of regulatory simplification. It has also presented new proposals on copyright, conditional access services, late payments and public procurement. The document indicates that considerable delays are accumulating with regard to transposition of Community legislation in the Member States. However, since publication of the first scoreboard many of them have upgraded their performance (the rate of transposition is now more than 80% in 1998 compared with 76% in 1997) and the average delay in transposition has reduced from 17 to 15 months. There seems to have been a slight shift in infringement proceedings, the Commission's ultimate recourse to ensure transposition of legislation, as the Member States have improved the efficiency with which they respond to the infringement procedure. The Action Plan has been a catalyst for improvement in administrative cooperation. Coordination centres and contact points have been set up at national level to improve the day-to-day operation of single market rules. The report concludes by looking ahead to future perspectives, particularly the impact of the euro on the single market. The single currency will undoubtedly give a new impetus to market integration. The Commission will remain vigilant in identifying practices which may jeopardise its development. Future scoreboards will focus on market integration and monitor practices which threaten the functioning of the single market. They will use indicators showing the degree of integration between national economies. ?

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Despite considerable progress over the last two years, the Single Market is still far from completion, according to a report from the Committee. The Committee applauds the considerable efforts undertaken by the Commission in this field, in particular the Action Plan for the Single Market and the accompanying Single Market Scoreboard. Reporting on the Second Scoreboard Report, José GARCÍA-MARGALLO Y MARFIL (EPP, E) underlines that while considerable progress has been made in certain areas (such as gas supply liberalisation and copyright) other important measures in the areas of free movement for persons and tax harmonisation has seen little progress. The Committee expressed deep concern that a full 15% of Single Market Directives have yet to be transposed by all Member States, and called on the Commission and Council to do their utmost to meet the remaining objectives of the plan before the end of the year. To tackle the remaining shortcomings, the Committee called upon the Commission to draw up a second action plan by early next year aimed at completing by the end of 2002, ie. in parallel with the introduction of the euro, a fully integrated Single Market with all the characteristics of a national market. Apart from seeking to achieve all the goals of the first action plan during 1999, the second action plan should in particular seek to introduce a common VAT system and guarantee full freedom of movement for persons. As transposition of directives into national legislation remains the main stumbling block, the Committee urges the Commission to use regulations as far as allowed by the treaties. Finally, the Committee urges the Commission to draw up a list for each Member States of Directives not yet transposed, and to use those lists for initiating proceedings before the ECJ as quickly as the Treaty allows.?

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In adopting the report drafted by Mr. José GARCIA-MARGALLO Y MARFIL (EPP, E) on the 'Single Market Scoreboard', the Parliament congratulates the Commission on the Scoreboard, which it considers to be an excellent instrument for measuring the state of the implementation of the 'Action Plan for the Single Market'. The Parliament notes that many of the Action Plan's legislative objectives have been achieved (in particular, liberalisation of gas supply and protection of biotechnological inventions) and that several others are in the process of being achieved (including the directives on collective investment funds, and copyright and authors' rights in the information society). It regrets

that other measures will not be adopted before the deadline, notably the proposals on free movement of persons and tax harmonisation. Furthermore, given its concern that 15% of the legislation adopted on the Single Market has not yet been transposed in all the Member States, it calls on the Commission and the Council, in their respective spheres, to do their utmost to ensure that as many as possible of the remaining objectives are met by 31.12.98. In particular, it calls on the Council to adopt the Directives on the European Company Statute. It calls on the Commission to draw up, at the beginning of 1999, a new Action Plan aimed at completing, by the end of 2002, i.e. in parallel with the establishment of the single currency, a fully integrated Single Market with the characteristics of a national market. This Plan should comprise an initial phase of one year (1999) for the completion of all the objectives of the 1997 plan which have not yet been achieved, and a second, two-year phase (2000-2001) which would be used principally to establish a common VAT system based on harmonised rates and on the principles of payment at the place of origin, and full freedom of movement of persons. It also recommends that, where the Treaty permits, the use of majority decision-making procedures in the Council in order to facilitate the adoption of legislative measures; in order to avoid the difficulties created by the need to transpose the Directives into national law, the legislative form of the Regulation should be used in preference to that of the Directive. The Commission is called up to draw up for each Member State a complete list of the Directives which have not yet been transposed, with a note on the reasons for the delay, and to publish these lists.?