



3 December 1999

**EUROPEAN BUSINESS SUPPORTS
ENLARGEMENT OF THE EUROPEAN UNION**
- *UNICE STATEMENT IN VIEW OF THE HELSINKI EUROPEAN COUNCIL* -

1. GENERAL REMARKS

Enlargement of the European Union is a task and an opportunity of immense importance for the further development of European integration. European business is a key player in this process. In view of the Helsinki European Council in December, UNICE would therefore like to comment on business-related aspects of enlargement, particularly in relation to the new enlargement strategy and the 2nd progress reports presented by the European Commission on each country involved in the enlargement process.

UNICE is convinced that enlargement will:

- be mutually beneficial to member states and candidate countries;
- make the European economy globally more competitive;
- enhance political and economic stability in the candidate countries and the whole of Europe.

The benefits of integration are numerous, interconnected and multifaceted. Economic integration opens up market opportunities contributing to wealth creation and political stability. In turn, stability is necessary for the creation of a business-friendly environment in which companies can grow and prosper.

It is important that, as a condition, at the time of entry in the European Union:

- the candidate countries meet the Copenhagen criteria and in particular have adopted and implemented the *acquis communautaire* relating to the single market;
- the EU has achieved its internal reform and put in place the financial framework required by enlargement.

2. THE 2ND REGULAR PROGRESS REPORTS AND THE NEW ENLARGEMENT STRATEGY

UNICE welcomes the Commission's proposal for a new enlargement strategy, as well as its 2nd regular progress reports. It calls on the European Council in Helsinki to adopt in particular the following Commission recommendations:

- **Open accession negotiations with all candidate countries fulfilling the political Copenhagen criteria and which have proved ready to take the necessary measures to comply with the economic criteria:**
 - European business wants rapid EU accession of all candidate countries fulfilling the Copenhagen criteria, namely:
 - ✓ Stability of institutions guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities;
 - ✓ The existence of a functioning market economy as well as the capacity to cope with competitive pressures and market forces within the Union; and
 - ✓ The ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.
 - Among these criteria, the ability of the candidate countries to take on the obligations of membership, i.e. adoption and implementation of the *acquis communautaire*, and the existence of a functioning market economy, are critical for the development of business and essential for the success of the enlargement process.
 - UNICE also insists that all candidate countries honour their obligations under the Europe Agreements. Tariffs and non-tariff barriers, including certification procedures, must not be used contrary to these agreements during the accession process.

- **Grant Turkey candidate status:**
 - Turkey is an important economic actor in the European context. Granting Turkey candidate status for accession to the EU will lead to enhanced economic and political relations between the EU and Turkey and support the reform process in that country.
 - The launch of accession negotiations with Turkey must be subject to the same conditions as with other candidate countries on the basis of the Copenhagen criteria and the relevant decisions and conclusions of the European Councils.

- **Take a “differentiated” approach on accession negotiations:**
 - Candidate countries should progress through the negotiations based on their own merits. The second Commission progress reports constitute a solid basis for assessment and identification of priority measures for further action;
 - Candidate countries should join the Union when they fulfil the Copenhagen criteria. Political considerations should not override economic considerations when it comes to decisions about timing and conditions of accession.

- **Set target dates:**
 - Setting precise accession dates would be unrealistic and would risk making candidate countries lose momentum in their reform process, but milestones and target dates for meeting the conditions laid down in Accession Partnerships and National Programmes are useful for both sides;
 - An enlarged EU cannot function unless necessary institutional reforms have been implemented. These, to be tackled in the forthcoming IGC, should be in place as soon as possible and not later than 2002. They are a prerequisite to accession together with the financial framework.

- **Transition periods:**

- A well functioning Single Market is key to successful enlargement. Transition periods in this field and related areas should be as limited as possible, in scope and time. Particular attention should be given to state aid, public procurement, intellectual property rights, competition rules as well as adherence to European standards as a basis for mutual recognition of testing and certification.
- In the field of environmental regulations, transition periods must be limited.
- In the area of free movement of workers transition periods are necessary until new member states fully apply the *acquis* in the field of social policy.

3. LARGE SUPPORT FOR ENLARGEMENT NEEDS GREATER AWARENESS

General knowledge of the EU is too low in the candidate countries, among the general public as well as among entrepreneurs, and especially among SMEs. Furthermore, public opinion is not in favour of enlargement to the extent that would be desirable, either in the candidate countries or in the Union.

UNICE therefore calls for:

- assistance/aid for the candidate countries to be focused on initiatives facilitating adjustments needed to ensure compliance with the *acquis* and coping with single market pressures. Mediterranean candidate countries should also benefit from existing assistance programmes.
- increased efforts through public authorities and social partners, in the EU and candidate countries, to make the benefits and obligations of enlargement better known and visible, for example by means of information campaigns for the business community.

UNICE will participate actively in this process.

4. THE ROLE OF BUSINESS

Business in the EU and in the candidate countries has an important role to play in the enlargement process. With experience from business operations in candidate countries, companies can contribute to assessment of the real situations in these countries. UNICE, with members and observers from 12 of the 13 countries that have applied for EU membership, is particularly well suited for this task.

UNICE calls on EU and national authorities to:

- consult business closely on all aspects of enlargement related to economic activities. Frequently, consultation has been unstructured and insufficient;
- take into account the input of business in the enlargement process, in particular prior to opening and during accession negotiations.

In this context, UNICE welcomes, and is committed to actively participating in, Commission initiatives involving the EU and candidate country business communities:

- the PHARE Business Support Programme, aiming at strengthening the representative business organisations in Central and Eastern European candidate countries, and their respective activities in helping CEEC companies adjust to the Community acquis.
- The Industrial Forum on Enlargement, aimed at exchanging information and experience on industrial aspects of the pre-accession strategy and at giving concrete recommendations to national authorities and to the European Commission, in order to find solutions to current problems linked to the enlargement process, in particular as regards implementation of the acquis in candidate countries.
- The Social Partners Conference on Enlargement and the yearly Round Tables of Employers' and Industrial Organisations of EU member states and candidate countries.

5. **STABILISATION PROCESS FOR SOUTH EAST EUROPE**

- UNICE believes that it is politically and economically important that countries of South East Europe which are not yet accession candidates should be progressively linked to the EU. This process should not be confused with the enlargement process, which should be neither accelerated nor disturbed by it.

6. **CONCLUSION**

UNICE will continue to monitor closely and support the enlargement process actively. It is looking forward to increasing co-operation with European institutions and candidate country officials and business on this matter, which is of vital importance to Europe and its companies.
