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EUROPEAN BUSINESS FAVOURS EU ENLARGEMENT BASED ON MERIT

At a press conference today, UNICE, the voice of business in Europe, lent its full support to EU enlargement. "Business expects EU enlargement to create a win-win situation for EU member states and accession countries", said Philippe de Buck, Secretary General of UNICE. "Provided a number of conditions are met, EU member states and their companies can benefit in full from increased trade and an enlarged Single Market, while accession countries will gain in addition from more foreign direct investment." According to recent studies, these positive effects could lead to additional annual economic growth of 1% or more in candidate countries. EU member states will also experience additional growth.

UNICE supports a merit-based approach. Each candidate country should be allowed to join the EU as soon as it is ready. There is a cost to delaying enlargement for frontrunners but also of precipitating accession of those countries which are not fully ready.

UNICE calls for assessment of the readiness of a candidate country and the subsequent monitoring of commitments to be transparent and efficient.

But for the benefits to be reaped and enlargement to be a success, additional hard work is needed by all parties concerned.

Candidate countries must not only have adopted all Community legislation. They must also have reached a satisfactory level of implementation and enforcement of EU rules by the time of accession. This requires sufficient administrative and judicial capacity, an area in which significant deficits still remain in many countries. UNICE urges candidate countries to make rapid progress in this context, and to make good use of capacity-building measures supported by the Commission.

EU member states also have to do their homework. They need to address rapidly the overdue and drastic reform of the Common Agricultural Policy and the required adaptations of the Cohesion Policies. Failure to do so would lead to exploding expenditures post-enlargement. UNICE underlines that this would not be economically sustainable and viable. EU members also need to push ahead quickly with reforming institutions and decision-making procedures, to make the EU fit for functioning in an enlarged circle of members. "The Seville European Council must fix a firm deadline for completing institutional reforms, and the Intergovernmental Conference (IGC) must start as early as the second half of 2003" said Philippe de Buck.

All of the parties involved, within Member states and candidate countries alike, must step up their efforts to communicate the benefits and challenges of enlargement. UNICE underlines that enlargement must be widely supported and understood if it is to be successful. Equally, the Commission must show vision and determination in its task of coordinating the European campaign.

