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ASSESSING PROGRESS IN PREPARATIONS FOR EU ACCESSION:
EUROPEAN BUSINESS LOOKS AT THE SITUATION IN CANDIDATE COUNTRIES

On the occasion of the 6 June European Business Summit, which addresses EU enlargement as one of its main themes, UNICE is releasing its compendium on the assessment of each candidate country's progress towards EU accession. European business presents this review of country-by-country situations five months ahead of the Commission's official recommendations.

"We are strong supporters of EU enlargement", stated Georges Jacobs, President of UNICE, at a press conference today "but only one which is guided by a merit-based accession of those candidate countries that fulfil the accession criteria." For UNICE, accession should neither be delayed for frontrunners nor precipitated for countries which are not ready.

Based on the outcome of its assessment, UNICE is "confident that a large number of candidate countries will be able to complete negotiations by the end of this year in order to be ready to join the Union in 2004", added Georges Jacobs. Candidate countries have indeed made substantial progress in preparing for accession since last year's reports. Europe business is therefore optimistic that most and possibly even all of the ten frontrunner countries including Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia could be part of the Union soon provided they pursue with determination their action to implement and enforce the *Acquis Communautaire* fully by the time of accession.

According to the report, most progress has been made in the economic field. Most countries have managed to create a stable macro-economic context, which has contributed strongly to robust economic growth rates despite a global economic slowdown. Privatisation of key state-owned companies has been progressed, tariffs have been largely abolished and investment conditions have improved considerably. Candidate countries are seriously addressing their remaining deficiencies in administrative and judicial capacity as well as in their fight against corruption, and have made strong commitments in these areas. Legislation has been brought into line with the *Acquis Communautaire* in many more areas.

But with regard to a number of areas substantial shortcomings still remain, although varying in intensity and magnitude between countries. These include for example:

- Lack of administrative capacity in such areas as tax administration, customs, public procurement offices and privatisation agencies.
- The judiciary requires improvements or even reform in order to ensure timely, efficient and consistent application of legislation.

- Privatisation, notably of utilities and the energy sector, needs to be progressed.
- More should be done to improve the investment climate such as the reduction of red tape (e.g. registration of enterprises) and bureaucracy.
- More needs to be done in a number of countries in the fight against corruption.

UNICE's report provides recommendations on the shortcomings identified in different candidate countries.

UNICE's report was compiled by businessmen active in the respective country they reported on, and has the support of foreign and domestic business in each candidate country.

Note to the editor:

UNICE is the official voice of more than 16 million small, medium and large companies active in Europe, employing over 106 million people. Active in European affairs since 1958, UNICE's members are 34 central industrial and employers federations from 27 countries, working together to achieve growth and competitiveness in Europe.

For further information, please contact: Susanne v. Bechtolsheim: +49 170 83 600 99
Bert Kuby +32 (0)2 237 65 25
Website : www.unice.org