

**COMMISSION COMMUNICATION: "INTERNAL MARKET STRATEGY: PRIORITIES 2003-2006"
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UNICE SUMMARY STATEMENT**

New focus on the Internal Market is necessary in order to secure the full benefit of the potential of having one big European market, especially in the light of the Lisbon objectives and the enlargement. Though the Internal Market has over the past ten years delivered substantial benefits in a number of areas, it does not yet function optimally and consequently Europe has not gained the full benefits of having a Single Market. Barriers to the free movement are still being created, due to for instance special national requirements leading to double testing or changes in product design or material. Some barriers are due to a lack of information at both authority and company level on the principles of the Internal Market and the EEA (European Economic Space) Agreement.

UNICE agrees with the focus placed on:

- the need for a stronger commitment by each Member State, as well as by the Council and the Parliament, concerning the need for swift and effective adoption and transposition of Internal Market rules;
- and a more active role for individual Member States in the enforcement and problem-solving areas.

The key point for successful implementation of the strategy is the support and commitment of Member States. In this context UNICE would welcome any steps that would focus the strategy even more for carrying out the decisions and good intentions in practical life, both with respect to better regulation at European level and with respect to national implementation.

The Competitiveness Council has to take a leading role in the drive to implement the various actions needed to overcome the malfunctioning of the Internal Market. It will have to take into account the background analysis and the conclusions of the Commission's Communication, as well as the regular assessment of the Strategy's success in annual reviews.

The strategy lists a large number of actions which are commented on in the UNICE detailed position paper on the Internal Market Strategy, dated 18 July 2003.

In this summary of the paper, we highlight the importance of some general aspects:

? It is necessary to promote correct and uniform use of the principle of **mutual recognition**. UNICE supports the proposal for a new regulation to facilitate its correct application, among other things by reversing the burden of proof.

? Enhancing the **New Approach** is important in order to ensure the free movement of goods and the competitiveness of European business. Thus, the principles of the New Approach should become key for all regulatory activities affecting products. There is a need, however, to take into account the needs of global business.

? **Strengthening the legal framework and administrative cooperation** between notified bodies, accreditation bodies, market surveillance and enforcement authorities, as well as a **strengthening of the CE marking** and a stronger legal “Common Base” are important for more consistent and effective implementation of directives.

? Industry very much wants **framework conditions** which support creative, dynamic businesses. To a large extent it lies within the responsibility of Member States to create such conditions, needed to stimulate innovation and investments and to ensure industry’s competitiveness. However, important areas such as intellectual property rights, state aid, company law and data protection still need strong political focus at European level.

? **High-quality regulatory environment** is essential for competitiveness and consequently better and simpler regulation must be given high priority on the European political agenda. It is essential that all new legislation and revision of existing legislation is submitted to a systematic and comprehensive impact analysis with the objective of reducing the administrative and economic burdens for companies.

? We fully support the idea of putting more focus on **choosing the right legislative or non-legislative instrument** or technique, i.e. to choose the one which will most cost-effectively eliminate barriers to trade while at the same time taking due account of public interests and sustainable development.

? Better **coherence between legislative initiatives** from the different DGs is needed to avoid different regulatory methods, overlapping legislation, conflicting requirements and “over-regulation” of companies.

? **Impact assessments** of new regulatory proposals should ideally be undertaken by an **independent body or service** of the Commission that has no direct link with the drafting of the proposal concerned.

? UNICE welcomes the proposal for an **Internal Market compatibility test** to be carried out when new legislation is developed at national level.

? In general, there is a need to raise **awareness of Internal Market opportunities, rights and duties**. Information campaigns addressed to authorities, companies and citizens should be carried out at Member-State level.

Finally, to get the best out of the **enlarged Internal Market**, it is essential to offer support and concrete technical assistance and training to the new Member States. Also in order to ensure the free exchange of goods, etc., with **the new EU neighbouring countries**, the Commission must take a very proactive approach in the dialogue with these countries: positive and encouraging measures such as institution-building, training, and technical assistance are needed.