

EUROMEMO

Recent Developments in the European Community

October 1992

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A European Community closer to its people....the leaders of the 12 European Community member states met October 16 in Birmingham for an extraordinary European Council on progress towards ratification of the Maastricht Treaty on European Union. In a Declaration released after the summit, they restated their commitment to the Treaty in its current form, announced new steps to make Community procedures more transparent to EC citizens, called for a balanced world trade agreement in the Uruguay Round by the end of the year, and for a continuation of the economic and monetary convergence programs EC member states are implementing in preparation for full Economic and Monetary Union. They made separate declarations on the situation in the former Yugoslavia and Somalia.

The European Council also reviewed the Danish government's White Paper of proposed solutions to the problem raised when its citizens rejected the Maastricht Treaty in a referendum on June 2. A summary of the Danish government's White Paper is available.

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The Single Market....after seven years of preparation, the European Community's single market will be in place by January 1, 1993. According to the Commission's Seventh Report on the implementation of the internal market program, over 90 percent of the measures needed to abolish physical, technical and fiscal barriers to intra EC trade have been adopted. Showing marked improvement on earlier reports, progress is continuing in the difficult areas of taxation and transport and implementation of single market legislation is now up to 75 percent in the member states. Annexes to the report include charts showing which proposals have been finally adopted, as well as lists of the directives already in force in the member states.

A new brochure, **The Single Market in Action**, explains how it will work from the points of view of national governments implementing EC legislation and the companies, services and individuals affected by it. The brochure also discusses the extension of most of the EC's single market legislation to seven neighboring countries of the European Free Trade Association (EFTA) starting January 1. A second brochure, **From the Single Market to European Union**, looks beyond the successes of the 1992 exercise to more far-reaching forms of integration envisaged in the Maastricht Treaty.

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Community enlargement....seven countries have now formally applied to join the European Community. With the Community itself in transition to deeper integration if the Maastricht Treaty is ratified, the conditions of membership may change. A publication entitled **Europe and the Challenge of Enlargement** contains an EC Commission report on the implications of Maastricht on future accessions negotiations, as well as the conclusions of the Lisbon European Council which reviewed the report in June 1992.

EUROPEAN COMMUNITY INFORMATION SERVICE

Washington office: 2100 M Street NW Washington DC 20037 / telephone (202) 862-9500 / telex: 64215 EURCOM-UW
New York office: 3 Dag Hammarskjold Plaza, 305 E 47th Street New York, New York 10017 / telephone (212) 371-3804

Value-added tax (VAT) collection in 1993....the completion of the single market will allow goods and individuals to cross intra-Community frontiers without the burden of tax controls or formalities. To achieve this objective a new VAT tax regime has been devised to accommodate the principle of freedom of movement. A **Guide to VAT in 1993** has been issued by the Commission to explain the main elements of the new regime, its simplifying effects on various categories of sales within the Community and with non-EC countries. Annexes include a question-and-answer style summary of the changes, a list comparing current VAT rates in the member states, a list of arrangements for special cases, and a description of the information exchange system for prevention of tax fraud under the new regime.

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EC assistance to the ex-Soviet Union....the European Community has been encouraging political and economic reform in the former Soviet Union under the TACIS program (Technical Assistance to the Commonwealth of Independent States and Georgia). TACIS, which is the largest aid program of its kind, funds in particular projects for policy advice, institution building, design of regulatory frameworks and training in the eleven new republics plus Georgia. A **report on the TACIS program** explains its governing principles, procedural rules, administration and priority areas since its establishment in December 1990.

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Poverty in Europe.....poverty is a complex phenomenon which cannot be defined solely in terms of low income. Frequently, people experience additional problems of housing, employment, health, and education which ultimately lead to "social exclusion", or marginalisation from normal social life. A new information pamphlet on **The Community's Battle Against Social Exclusion** draws a profile of the problem which, according to recent statistics, still affects up to 15 percent of the Community's population. Although combatting poverty is primarily the business of national governments, this pamphlet explains why more Community supplementary action is necessary as Europe becomes more integrated and unified.

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New EC mini-brochures:

- TOWARDS A SINGLE MARKET IN FINANCIAL SERVICES** (European File, 3/92)
- PROTECTING OUR ENVIRONMENT** (Europe On The Move series)
- COMPETITION POLICY IN THE EUROPEAN COMMUNITY** (Europe on the Move series)

EC News Press Releases (September/October 1992)

- EC REACTS TO US PRELIMINARY STEEL CVD DETERMINATIONS**, (No. 33/92)
- NEW CENTRAL RATES FOR THE EUROPEAN MONETARY SYSTEM** (No. 34/92)
- VICE PRESIDENT CHRISTOPHERSEN TO VISIT WASHINGTON AND BOSTON** (No. 35/92)
- SEPTEMBER 17 COMMUNIQUE OF THE EC MONETARY COMMITTEE** (No. 36/92)
- EXCLUSIVE! BUSH AND CLINTON SPEAK OUT ON EUROPE** (No. 37/92)
- THE EC CALLS FOR VETO OF THE CUBAN DEMOCRACY ACT** (No. 38/92)
- PHOTO EXHIBIT AND NEW T.V. SERIES SHOW AMERICANS EUROPE'S MANY FACES** (No. 39/92)