

II Background and Objectives of EC 1992

The EC 1992 initiative represents the latest stage in the development of the Community (Appendix 2). The program for the completion of the internal market was set out in the Commission's White Paper of June 1985. This provided a detailed analysis of the barriers which need to be abolished and the action to be taken before the single market can be achieved. It details some 300 measures, since reduced to 279, which are to be implemented and the timetable within which this is to be accomplished.

The White Paper's analysis of the steps to be taken is set out under three headings:

- removal of physical barriers;
- removal of technical barriers;
- removal of fiscal barriers.

1. Physical Barriers

In relation to trade in agricultural and food products, the removal of physical barriers can be expected to affect domestic and imported products in the same way. The Commission sees it as essential to remove the customs barriers situated at national frontiers where goods are systematically stopped and checked. From an economic standpoint, substantial savings can be made by limiting or removing cross-frontier controls on movements of goods.

Checks are currently made on the movement of goods for the following reasons:

- to enforce national import quotas which may exist in some sectors;
- to operate the Community system of monetary compensatory amounts (MCAs);
- to collect Value Added Tax (VAT) and excise duties;
- to carry out health controls;
- to carry out transport controls;
- to collect statistics.

In the agri-food sector, the removal of physical barriers will mainly have an indirect impact. Border inspection for health and safety reasons will no longer occur. Similarly, elimination of customs posts would make it impossible to apply the MCA system (see Item 3).

2. Technical Barriers

A major objective of the EC 1992 initiative is the elimination of all technical barriers which exist within Member States as a result of law, norms or practices which inhibit or prevent intra-Community trade. The barriers are many and various. Examples include: