

Initially, investments generated by the Single Market will gravitate towards those countries and regions with the best infrastructure and skilled workforces. Manufacturing firms have identified France, Germany, Italy, the UK and Spain as their preferred locations for production and export to other EC markets. The pattern holds, too, for firms in the services sector, except that the UK and West Germany enjoy a clear lead in preference.

Marketing and Distribution

For manufacturing firms, pan-European distribution networks will be a key competitive weapon in the post-1992 era, as barriers and costs of transborder shipping come down.

It is also anticipated that there will be fewer distribution levels, since in many cases there will be no need for national distributors.

Many EC firms will be centralizing their physical distribution. In particular, major centres in the Netherlands rate highly in the plans of EC firms. The Netherlands is a strong choice for distribution centres because of its central location, major sea ports and airports, and strong trucking industry.

Technical Barriers

EC manufacturing firms surveyed for this Report rated the removal of technical barriers to intra-EC trade and the creation of common EC standards as the two most positive impacts of the 1992 program. However, only one third expect progress on this front to have been achieved by 1992: most expect significant results no earlier than 1995.

Foreign suppliers, protected by the GATT principle of national treatment, should benefit from the new product approval procedures that are being put in place under the Single Market program.

For non-EC suppliers, mutual recognition implies that a company can make its product conform to the norms of the Member State that suit it best, and then channel all its exports to the EC through that State. This would seem to be an improvement on the present situation whereby authorization must be obtained from each Member State in which the exporter chooses to sell.