

Europe 1992 is an extremely comprehensive program that touches upon almost all aspects of day-to-day EC commercial life. Some areas where the Single Market Program will have an impact are described below:

**Technical standards.** Europe 1992 calls for the "mutual recognition" of manufactured products. In other words, a product approved for sale in one member state can also be sold in all other member states without their subsequent approval. The EC is also drafting minimum essential standards required to protect public health and safety, and the environment. Included in the Single Market Program is the development of European standards in both telecommunications and information technology.

**Foreign investment.** Europe will continue to welcome foreign investment. Canadian companies are watching as the European Commission drafts a new European Company statute and as the Community pushes towards harmonizing various aspects of company law, initiatives likely to affect foreign acquisitions.

**Science and technology development.** Community-wide research and development programs are becoming more significant, serving not only to develop the sciences or technology itself, but also seeking to co-ordinate national research and development efforts. Key EC research and development programs (worth \$10 billion over five years), are in enabling technologies (information technology, telecommunications, manufacturing technologies, biotechnologies, and advanced materials), energy (nuclear fusion and fission) and the environment.

**Government procurement.** Europe 1992 aims to open up the national tendering processes to companies in all EC member states, particularly in the telecommunications, water, energy and transport sectors.

**Finance/banking.** Progress towards liberalizing the financial and banking sectors could eventually lead to a European central bank and a common currency, though such a development would likely occur some years after 1992.

**Environmental action.** A number of measures under the Single Market Program directly relate to environmental concerns. Among

these are proposed directives requiring environmental impact assessments for major investment projects, setting timetables for emission reductions for industrial plants and motor vehicles, and introducing civil liability for environmental damage.

Europe 1992 has quickened the pace and shaped the direction of structural changes already under way in European industry. These changes will lead to more national and cross-border mergers and acquisitions; more cross-border alliances in R&D, production and marketing; and a streamlining of production facilities on a European scale.

For Canada and Canadian business, Europe 1992 presents major challenges and opportunities. It will allow Canadian companies easier access to all EC member states but may require increased investment in European operations or alliances with European firms to fully take advantage of the new rules. It will open up new markets, such as in telecommunications, but it will also increase competition — in Europe, in third countries and in Canada's domestic market — from increasingly efficient European firms.