

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.

Although outside suppliers will be given the same access to national certification procedures as local firms, the EC has signalled that it will only recognize tests and certificates issued by third countries if mutual recognition has been negotiated by Brussels (and not by individual Member States).

Technology programs

In theory, non-EC owned firms operating in the Community will be welcome to participate in all Community R&D programs as long as they have something special to offer and their research is carried out in laboratories within the EC.

Services

The liberalization of financial services and the free movement of capital are rated highly by firms in the service area (especially banking and finance) as well as manufacturing firms as two very important benefits of the Single Market program.

The free movement of personnel is of top importance to business services -- a group that includes accountants, law firms and engineering consultants -- whose staff will benefit after 1992 from the mutual recognition of professional qualifications.

Although there should be no legal barriers to non-European service firms that are located in the EC, a de facto preference for European companies will make it a definite asset to seem as "European" as possible.

Increased competition from European firms

Almost 60 per cent of EC manufacturing firms surveyed and 45 per cent of service companies felt that the 1992 program would have a moderate-to-strong effect in terms of strengthening EC firms as competitors in third markets.