

By 1992 it is likely that the GATT principle of national treatment will be extended to service companies set up in the EC.

To encourage trans-European companies, the European Commission has started drafting a new text for the European Company statute. The Community is also pushing toward harmonization of various aspects of company law, so that firms compete on equal terms. A key proposal in this area is a directive covering takeover bids.

Intellectual property

In 1989 two major developments could occur with respect to a new framework of intellectual property protection in the EC. These would be the adoption of the European Trademark Regulation and activation of the Community Patent Convention.

The Commission is considering extending the power to impound and destroy counterfeit goods that infringe on trademarks to include copyrights. This would also protect software programs.

Biotechnology is one area where the Community is striving for specific legislation due to the increased reluctance of biotechnology firms to invest in the EC under existing rules.

Product approvals and technical standards

An important part of the Single Market program is the measures that the Community is taking towards mutual recognition of market authorizations in all product areas. To this end, product approval procedures are becoming much more transparent and subject to clear and objective criteria. The goal is to ensure that other European firms benefit from the same treatment as national firms.

Instead of attempting to draft detailed EC-wide standards, the "new approach" to standards and technical regulations now involves the development of broad framework directives limited to essential minimum requirements regarding public health and safety, and environmental or consumer protection. These framework directives are then fleshed out into technical specifications. This is left either to national standards bodies or, where common European standards are necessary, to the Brussels-based CEN (European Committee for Standardization) and CENELEC (European Committee for Electrotechnical Standardization).

The other key element in the new approach is the principle of mutual recognition, i.e. the acceptance by all Member States of products lawfully and fairly manufactured and sold in any other Member State. This principle was developed by the European Court of Justice, notably in the landmark 1979 ruling on "Cassis de Dijon."

The Single Market program also involves the development of European standards in both telecommunications (telecoms) and information technology.

Government procurement

Government procurement contracts in the EC are equivalent to about 15 per cent of Community GDP.

Although liberalization in public procurement has clear political backing within the Community, existing EC directives covering public works and public supply contracts have had little success, to date, in opening up these markets. Therefore in 1988, the Council of Ministers strengthened the rules by increasing the transparency of tendering procedures via longer notification procedures and increased publication requirements. Future EC priority will be given to opening up tendering procedures in telecoms, water, energy and transport.