

Statute. These measures will go hand in hand with harmonization of company financial statements and the development of a European law on intellectual property.

1. A Generally Accepted Schedule

Despite difficulties, the schedule has been generally respected. This will likely continue although the 1992 deadline will, in specific cases, need to be extended.

The changes in Eastern Europe and the unification of Germany will affect the next step -- monetary integration -- more than market integration.

2. A Strong Anticipatory Effect

After an initial period of doubt, the Europe 1992 process became in 1987 a kind of self-fulfilling prophecy. Europe 1992 has become a determining factor in the strategy of companies not only within the EC, but also in the European Free Trade Association (EFTA) and in the U.S. and Japan. Within the EC, anticipation of 1992 has led to a strong increase in intra- and extra-EC mergers and acquisitions, a rise in investment to prepare for Europe 1992,⁵ and an often considerable restructuring of certain sectors that had previously been extensively protected; these include banks and insurance companies, and suppliers of large public procurements such as railway and telecommunications

equipment, heavy electrical equipment, and defence.⁶

Public procurement is still far from being open to intra-EC competition. Not all of the main Directives concerning public procurement have been adopted, and supplier/client relationships are such that it will undoubtedly be a long time before these markets will be subject to true competition. Nevertheless, in anticipation of coming changes and to profit from the free movement of capital and the liberalization of intra-EC takeovers, this sector has rapidly restructured around a few European leaders, where a dozen or more national leaders previously co-existed. Thus, the restructuring occurred around the French company Alcatel, the German company Siemens and the Swedish company Erikson for telephone exchanges, and around the Franco-British group GEC Alsthom and the Swiss-Swedish group Asea Brown Boveri (ABB) for railway equipment.

This does not mean, however, that the unified market will be completely homogeneous by 1992. Particular consumer habits will last for a long time, reflecting cultural and social differences. It would be unthinkable to expect the British, the Italians and the French to adopt identical behaviour patterns -- eating and dressing habits, for example. Similarly, advantages due to proximity and solid establishment in local markets will also continue. Recognizing this, the large suppliers of public procurements have established themselves in the major national markets by buying out existing firms.