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THE PRIME MINISTER

The completion of the single market is the biggest challenge United Kingdom business has faced in our lifetimes. The creation of a new home market of over 320 million people - almost as large as the United States and Japan combined - will provide immense trading opportunities. It will also bring greater competition and choice to the benefit of the consumer. We in the United Kingdom are strongly committed to this objective: it is in the interests of the whole Community.

Since 1985, when Member States committed themselves to the 1992 target date, nearly 200 individual single market measures have been agreed - over 50 since the beginning of this year alone. In recent months we have seen major agreements on key measures in the single market programme.

For example, in June, Community finance ministers reached agreement on a directive providing for the complete removal of controls on capital movements within the Community, following the lead which we gave in 1979. This is of fundamental importance for completing the single market, in particular for the Community's financial services industry.

Another example is the recent agreement on freedom of establishment for the professions. At the moment, an accountant would have to spend some 50 years qualifying before being able to practice fully in every Member State. As a result of the new agreement, professions will be able to practice throughout the Community without having to requalify every time.

We have also seen agreement on a far-reaching directive on non-life insurance services which will allow companies from other Member States to take out their insurance in the United Kingdom.

At the Hanover Summit in June, we underlined the importance of pressing on to complete the single market, and set out four priority areas for future work, including the opening up of public procurement, further liberalisation of banking and other financial services, common product standards, and intellectual property (trade marks and patents). We will be pushing strongly for rapid progress in these areas.

So for example, we hope to see early decisions on two further important measures designed to open up the market in financial services. First, the second banking directive, which will allow banks to operate throughout the Community by means of a single home country authorisation. Second, the proposed directive on investment services, which will provide similar freedom for institutions other than banks to carry out securities business. Taken together, these directives will provide immense new business opportunities for firms in the Community.

We must also make sure that in completing the single market we are creating an environment which encourages enterprise and competition. Our aim must be to liberate the potential of European business so that we can compete effectively in world markets. The keynote must be liberalisation, not harmonisation for its own sake.

Clearly, the single market will mean enormous changes in the trading environment for companies in the United Kingdom. That is why we have launched a major campaign - 'Europe - Open for Business' - designed to bring home to business the implications of 1992 and to encourage them to plan now to meet the challenges it will bring.

When we first announced the campaign last autumn, only one out of every six British managers was even aware of the 1992 target date. By July this had risen to 80 per cent. This has been achieved through a comprehensive information service, including a telephone hotline, an on-line computer database and many ministerially-led seminars all over Britain.

Awareness is one thing - but firms must also take action. So we have also produced an 'Action Checklist', designed to help companies consider how they should adapt their strategies in readiness for the single market. It focuses on key questions in important areas such as marketing, distribution, product development and training. The single market is a once in a lifetime opportunity, and business needs to plan carefully and imaginatively to reap the full benefit.

One final point. There is a fear often expressed in countries outside the Community that the development of the single market will be paralleled by increased protection against outside competition, notably from the United States and Japan. The idea of a 'fortress Europe' on these lines is completely illogical. If there are benefits in a liberal trading policy within the Community, then there are also benefits in being open to the outside world. Of course, we will want to negotiate hard to secure greater market access in third countries to parallel our own efforts. But the Hanover Council concluded that the single market should not close in on itself, and must remain open to the outside world.

I believe that there is a strong will in the Community to make a real success of the single market. We in the United Kingdom will do all we can to bring that about.

Margaret Thatcher