

Going for growth

The economy of the EU



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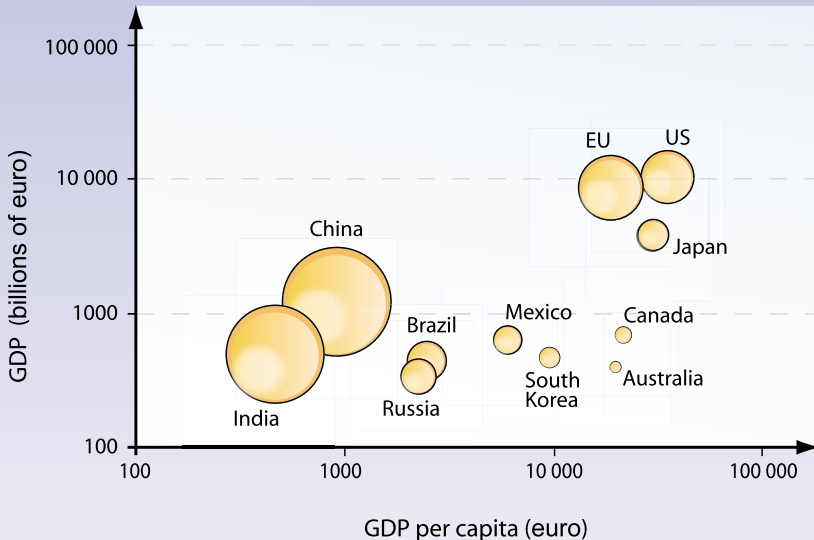
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From fragmentation to integration

Among the fundamental objectives of the European Union are economic and social progress and constant improvements in living and working conditions. These aims were laid down in the Treaty of Rome – which, in 1957, established what was then the European Economic Community (EEC) and is now the European Union (EU). Nevertheless, it is a major achievement for the EU to have become, in just 50 years, the world's second largest economy in which 12 countries share a single currency.

At its birth, the EU was made up of distinct national economies. Goods moving across borders were stopped for paperwork and to pay customs duties. Today, by contrast, the EU is essentially a single economy. Goods move freely across national borders. In addition, people, money and service providers (such as airlines, banks and phone companies) are free to move around and to operate across the EU with a degree of freedom that would have been hard to imagine 50 years ago.

World economies



The chart compares the world's largest economies on a logarithmic scale.

The size of each bubble represents the population. Figures are for 2002.

GDP = gross domestic product, i.e. the total value of everything a country produces in a given year.

EU = 25 member states, including the 10 joining in 2004.

Source: European Commission/World Bank.

All this has been achieved by steadily breaking down the barriers between the national economies – a process known as 'economic integration'.

The EU cannot, however, afford to rest on its laurels. Despite major advances in delivering a better life for its citizens, the EU is not as internationally competitive as it could be. If the EU does not maximise its economic potential, it will find it more difficult to fund an inclusive society with a robust safety net for the less well off.

Even closer integration of the EU economy – and there is still unfinished business – will help achieve this because a key lesson of the last 50 years has been that economic integration brings growth and creates jobs.

Achievements and goals

There have been three key milestones since the EU was founded:

- creation of a customs union;
- the single market;
- economic and monetary union.

The customs union laid the foundations for free trade in goods. The single market swept away surviving red tape for trade in goods and took a major step towards free trade in services. Eco-

nomic and monetary union removed many of the remaining obstacles to cross-border investment. It launched the single currency – the euro – and an agreed approach to economic policy.

That leaves plenty of unfinished business. It is still more difficult than it need be for scientists in several countries to cooperate in research. Governments, including local government, do not do as much as they could to buy goods and services for the most competitive price anywhere in the EU. Financial services are not as widely available across borders as they could be. The EU must also do more to help enterprising people set up new businesses and to encourage businesses to innovate. More needs to be done to harness the Internet to generate economic growth.

The agreed objective is to make the EU the world's most competitive and dynamic knowledge-based economy by 2010. The goal is ambitious, but not unattainable.

The EU then and now

The EEC of 1958 was very different from the EU of today. In 1958, 23% of the population of the six member states - Belgium, France, Germany, Italy, Luxembourg and the Netherlands - relied on farming for a job. By 2001, that figure had dropped to 4% for the then 15 EU countries. In 1958, 40% of the population worked in industry. That had dropped to 29% in 2001.

Services are now by far the largest source of jobs: 67% of the population of the EU were employed in service industries in 2001, compared to 37% in 1958. This trend has been unaffected by successive waves of enlargement which added both more rural and more industrial countries to the EU: Denmark, Ireland and the UK in 1973, Greece in 1981, Spain and Portugal in 1986, and Austria, Finland and Sweden in 1995.

In 1958, there were only about 3 000 km of motorway in the countries that now make up the EU. Now there are 52 000 km. In the original six member states, just 6.6% of the population owned a car. Now there are nearly half as many cars as people in the EU. And the number of plane journeys made each year by people in the EU has increased thirtyfold.

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*It makes a change
from farming!*

Laying the foundations

Creating a customs union was the first step towards creating a single EU economy. Within the borders of the customs union, which was completed in 1968, there is free trade. Businesses pay no customs duties from Lapland to Sicily, from Portugal's Atlantic islands to the EU's easternmost borders. Creating a customs union also ensured that the playing field was levelled for anyone importing from the rest of the world. If there is duty to pay on imports, then it is the same whichever port, airport, road or rail entry point is used.

Importers can bring goods into the EU in bulk and then break the shipment down into different parts destined for customers in several member states.

They no longer need to use Piraeus for goods intended for Greece and Marseille for goods intended for France, but can use either port for both destinations. This makes business more efficient, makes pricing more competitive and expands consumer choice.

The benefits of the customs union were clear from an early stage. By 1970, member states were trading six times as much between themselves than 12 years earlier. They were also trading three times as much with the rest of the world. Their economies more than doubled in size and were expanding faster than the US economy.

The bigger the EU, the greater the benefits

The bigger the European Union, the greater the catalytic effect of integration. Enlargement of the EU to 25 countries costs money initially as the EU helps newcomers complete the transition to becoming competitive free market economies. However, there are tangible economic benefits to the EU. The economy of the 'old' member states benefits since, as previous enlargements have shown, competition and increased personal mobility are good for growth. By the end of the decade, the combined economies of the 'old' member states could be 1% larger than they would otherwise have been. The newcomers, meanwhile, can expect up to 1% more growth each year from membership. This will come largely from higher investment and from reforming these economies so that they run more efficiently. Standards of living and quality of life will improve. It could also mean the creation of more than 300 000 jobs in these countries by 2010.

More hurdles to overcome

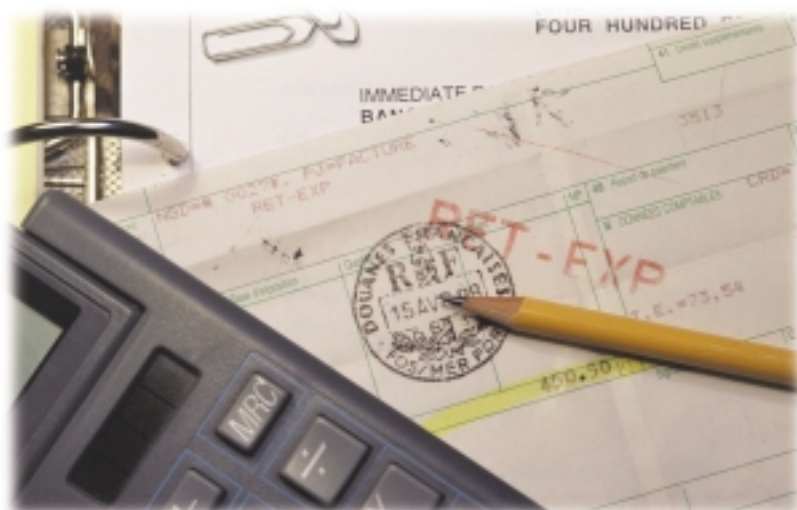
Creating the customs union took away only the most obvious barrier to free trade and competition – and thus to economic and social progress. It still left plenty of red tape to hold up trade.

Customs officers did not disappear. They still stopped lorries and freight trains to check their paperwork and often the contents of their containers as well. In 1988, this was costing industry and governments an unnecessary €9 billion each year.

There was a further obstacle in the shape of differences in technical requirements, including environmental regulations. Standards were not necessarily higher or lower in one country or another, just different for historical reasons. Work on developing common EU standards goes back a long way, but progress was slow in the early years.

Moreover, during the economic slow-downs resulting from the oil price shocks of 1973 and 1979, the appetite for more economic integration diminished. The long-term gains were recognised, but the short-term pain of adjustment seemed too great. It was not until the beginning of the following decade that member states were ready to start planning another quantum leap.

That came in the shape of the Single European Act, the blueprint for the European Single Market. Signed in early 1986, it set the end of 1992 as the target date for eliminating the many barriers to trade which still survived.



The single market has slashed paperwork.



The EU has made travel easier.

Freedom for people too

In the process of opening up markets for goods and services, people were not forgotten. As soon as the EEC was set up, it became easier for citizens of one member state to live and work in another. Freedom of movement has since been extended to job seekers, students, pensioners, in fact virtually everybody. More than 15 million EU citizens have moved to work or retire in another EU country. For the last couple of decades, the passports of all EU citizens have had the same wine-coloured cover. The days when trains stopped at the frontier while passports were checked are also a thing of the past. Border checks have disappeared at most of the EU's internal frontiers since 1985. Only the UK and Ireland still carry out these checks.

The single market

Putting the single market in place meant passing more than 1 000 pieces of legislation in seven years. The single market replaced frontier checks on goods with systems based on trust, and on checks before departure and on arrival. It promoted trust in other countries' standards and different technologies. These may differ in the detail, but what matters is that the product is safe, not exactly how the objective was achieved. It broke down barriers that had prevented service industries expanding across borders.

In creating the single market, major steps were taken towards ensuring that all EU countries take a broadly similar approach to company law, business accounting rules and intellectual property rules. This makes it easier for companies to operate throughout the EU and to run their businesses as efficiently as possible. The remaining barriers to moving money across borders were progressively dismantled, whether it was for business investment, savings, study or holidays.

It became easier for financial institutions to set up right across the EU and to offer their banking services, insurance and savings products in another country with a minimum of formalities. At the same time, steps were taken towards ensuring that customers everywhere enjoy equal protection, regardless of what bank, insurer or investment they choose.

A start was made on introducing competition into what were traditionally monopoly sectors, such as telecommunications, airlines, the railways, postal services, gas and electricity.

This process has continued since then. As a result, all barriers to competition in the telecommunications industry have disappeared. Most business customers and many households are free to choose their gas and electricity supplier. Restrictions which made it difficult for airlines to operate efficiently are being removed. The markets for business use of the railways and postal services have been liberalised. Work has begun on opening up Europe's port services to greater competition and on using Europe's airspace more efficiently. All this improves choice and brings down prices.

Keen competition and room to expand within the single market helps keep European companies among the world leaders. Of the world's 100 largest companies, 32 are from the EU. So are 39 of the world's 100 largest commercial banks and 27 of the 100 most valuable brands.

More competition pays off

The single market has been the key to releasing large amounts of Europe's economic potential. In the ten years between 1992 and 2002, the single market added 1.8 percentage points to GDP growth in the EU as a whole. In addition, the single market has:

- generated nearly €900 billion in extra prosperity – about €6 000 per household – in its first ten years;
- created some 2.5 million jobs in the EU since 1992. These jobs would not have existed without borders being opened up;
- contributed to a 30% increase in trade in manufactured goods in the EU since 1992, thus increasing the selection of goods available and increasing competition;
- been a key factor in boosting flows of direct investment within the EU. These flows were 12 times greater in 2000 than in 1992;
- encouraged new inflows of foreign direct investment from outside the EU;
- made the EU more internationally competitive. For example, EU exports to countries outside the EU increased from 6.9% of EU GDP in 1992 to 11.2% in 2001;
- allocated skills more efficiently as people have taken up the opportunity to work in other EU countries;
- boosted purchasing power through pressure on prices. The gap between the EU's highest and lowest prices has been narrowing; some goods are cheaper in absolute terms.

Further efforts are under way – for example to strengthen the single market in services (which account for 70% of EU GDP). The single market is a work in progress, with the capacity to deliver even more benefits in the future.

You have more choice thanks to the single market.



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Economic and monetary union

Well before the Single European Act was drafted, economists were pointing out that member state economies would have to behave more like each other – a process known as convergence – if they were collectively to realise their full potential. Economic and monetary union was seen as the difficult but necessary and desirable next step in continuing to move forward.

In 1969, the EU set itself the objective of achieving economic and monetary union (EMU) by 1980. However, the path was not easy. The recessions of the 1970s held up work on EMU – and the accompanying single currency – just as they stalled progress in other areas. The process restarted in 1978 with closer cooperation on exchange rates and was fully re-launched in 1988, culminating in completion of the first of three stages of EMU in 1990.

In that year, for example, the EU lifted the last remaining restrictions on taking money from one member state to another, transferring money or investing in another EU country. No longer would anyone have to fill in a form to obtain foreign currency to go on holiday or study in another country.

Over the next few years, a clear dividing line was drawn between the finances of governments and central banks. Governments were no longer able to turn to central banks to print money to bail them out if they could not balance their budgets. By 1994, the second stage of EMU had been reached, with the creation of the European Monetary Institute (EMI), the forerunner of today's European Central Bank (ECB).

As part of this process, governments promised not to live beyond their means and ceilings were placed on the amount of debt governments were allowed to run up and on the size of their budget deficits. EU countries agreed on a system of 'multilateral surveillance', or monitoring, to watch out for situations where one member state's decisions on budgetary policy might have adverse effects on the economies of other member states.

The Maastricht criteria

It was agreed in 1992 that five criteria would determine whether a member state was ready to adopt the single currency. Collectively, they are known as the Maastricht criteria, after the city in which the treaty was signed that spells them out.

The criteria relate to:

- price stability: the inflation rate should be no more than 1.5 percentage points above the rate for the three member states with the best inflation rate over the previous year;
- the budget deficit (the gap between governments' revenue and expenditure): this must generally be below 3% of gross domestic product (GDP);
- debt: the limit was set at 60% of GDP, but a country with a higher debt-to-GDP ratio can nevertheless adopt the euro if its debt levels are falling steadily;
- the long-term interest rate: this should not be more than two percentage points above the rate in the three member states with the best inflation rate over the previous year;
- exchange rate stability: the exchange rate should have stayed within pre-defined fluctuation margins for two years. These margins are those of the European exchange rate mechanism, an optional system for member states which want to link their currency to the euro.

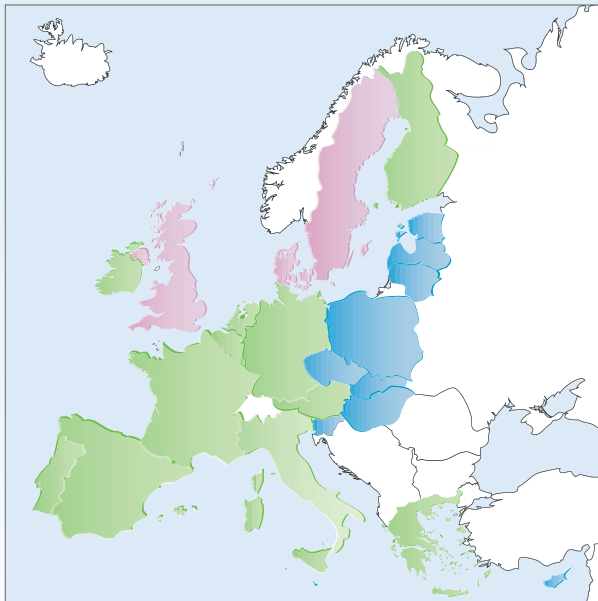
EMU: the starting gun

The starting gun for full economic and monetary union was fired on 1 January 1999 with the launch of the euro in 11 member states: **Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.** **Greece**, which could not initially meet the Maastricht criteria, followed in 2001.

Three countries – **Denmark, Sweden** and the **United Kingdom** – decided to stay out of the first wave of euro membership. If they eventually decide to adopt the euro, they too will have to comply with the Maastricht criteria, as will the new member states.

The newcomers are committed to adopting the euro, but cannot do so until 2006 at the earliest because of the exchange rate criterion.

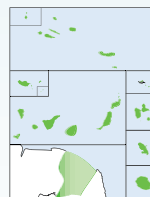
The euro became the official currency of participating countries from the date they joined. But there were no notes and coins until 1 January 2002. Anyone paying in euro during that transitional period had to use a credit or debit card or pay by bank transfer. So initially the euro was to all intents and purposes a 'virtual' currency, mainly used for business rather than everyday transactions.



All EU countries take part in EMU...

- but only 12 use the euro;
- three others have chosen not to, at least for now;
- the ten newcomers will adopt the euro later.

For the names of these countries and territories, see the map at the end of this booklet.



The benefits of the single currency

The most obvious benefit of the euro is the convenience for travellers. The hassle and costs of changing money have disappeared. The euro also makes it easier to compare prices. That is healthy for competition and good for consumers.

The reasons for introducing the euro are much more fundamental, however. The additional integration will bring long-term benefits in competition, growth and prosperity, by ensuring a low-inflation environment and enabling business to trade more efficiently.

The cost of transferring money to do business in another country has come down and there is no need for businesses to take out insurance or increase their profit margin to protect themselves against the risks of exchange rate fluctuations. These costs were tantamount to a 'tax' on doing business and used to amount to 1% of GDP. They have largely disappeared because more than 80% of the trade of euro-area countries is now with one another.

Companies in the euro area that trade with the rest of the world have the automatic advantage of using an international currency. They can often protect themselves against variations in exchange rates simply by billing their customers in euro. It is much easier to do that than it was in the past to persuade a client to pay in Greek drachma or Finnish markka.



*Trade is good for growth.
The euro is good for trade.*

More to EMU than the euro

Economic and monetary union means respecting a set of rules known as the Stability and Growth Pact. These rules are designed to keep the economies of the EU moving in the same direction and lead to sustainable growth.

Every year, the Commission and the member states review compliance with the Pact. Each euro-area country provides the necessary information in the

form of a stability programme. Non-euro countries submit convergence programmes. These contain an additional element: information on how these economies are performing in relation to the Maastricht criteria for joining the euro.

The Stability and Growth Pact

The Stability and Growth Pact commits all EU countries to the principle of budgets that are balanced or nearly balanced. In other words, EU member states should not spend more than they earn. That way they can avoid the sorts of debt build-up which in the past have left governments either needing to increase taxes or short of money to spend on their citizens and on investment.

If economic growth slows, tax revenues dip because businesses are doing less well, consumers are spending less and governments need to spend more on unemployment benefit. Under these circumstances, some extra borrowing may be justified. However, if budgets are in a fundamentally sound position to start with, governments should have enough leeway to keep their deficits below 3% of GDP.

The Pact is not a straitjacket. It allows governments to exceed the 3% margin in exceptional circumstances. Economies can run into hard times through no fault of the governments managing them. Unforeseen events can rock the international economy – for example, the terrorist attacks in the United States on 11 September 2001, or the oil price rise that preceded the war in Iraq in 2003.

If a member state does break the rules of the Pact without good reason, it will be warned to take corrective action very quickly. Otherwise, the European Commission and the other EU countries may impose corrective measures. If that were not a sufficient incentive to get the budget back under control, the recalcitrant member state would have to deposit money interest-free with the Commission. If this were still not enough to persuade the member state to put its house in order, it could forfeit that money altogether. That is justified because an excessive deficit in one EU country can have negative effects on the others.

In addition, the Commission constantly monitors how member states are meeting targets for integrating the EU economy still further in every sector from finance to research and development, from energy to transport. It also checks whether the environmental implications of economic policy decisions have been properly taken into account. In addition, the Commission monitors progress in creating jobs and making the job market accessible to as many people as possible. The overriding objective is to ensure sustainable growth and an inclusive society.

The role of the ECB

Stable prices create a stable economic environment, and the European Central Bank (ECB) plays a crucial role in achieving this stability for the euro area. It does so by setting the interest rates it uses in its dealings with banks, and these in turn act as a baseline for all euro-area interest rates.

The ECB sets its rates at the level it believes will keep prices in the euro area stable. It aims to keep inflation close to but less than 2% in the medium term, thus steering a safe course between the twin risks of deflation and excessive inflation.

The Bank also manages the currency reserves of the euro area and has the power to sell and buy foreign exchange on international currency markets to influence the exchange rate of the euro. However, it does not have a set view of the appropriate level of the exchange rate. Its policy focus is on inflation.

Headquartered in Frankfurt, the European Central Bank is the hub of the European System of Central Banks (ESCB). All EU central banks are part of the ESCB. This gives all of them a say, for example, in the choice of technology to ensure that businesses and banks can move money efficiently across the EU. However, only the euro-area central banks are consulted when the ECB sets interest rates for the euro area.

Growth must be sustainable.



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The impact of the euro

Change was evident in financial markets as soon as the euro was introduced in 'virtual' form in 1999. Euro-area governments were in most cases immediately paying less interest on money they borrowed. On the one hand, they were operating in a stable, low-inflation environment which keeps interest rates low. On the other, they were borrowing in a highly liquid currency, in other words a currency for which there are always plenty of buyers and sellers. Lively demand keeps interest rates competitive. Lower interest rates keep the cost of debt repayment down and leaves governments more room to reduce taxes or more money to spend on health, pensions, social welfare or infrastructure.

Businesses and consumers benefit too. Lower interest rates make investment more affordable for businesses and make mortgages cheaper for house buyers.

Benefits not limited to the euro area

It is not just euro-area governments that are tapping into the benefits of this new international currency. Other countries, both in and outside the EU, are borrowing in euro as well. They can reap some of the same benefits from the fact this is a liquid, internationally recognised currency. They often also want to diversify their currency holdings and the euro gives them an additional international currency in which to do this. The euro is also increasingly

used alongside the dollar by central banks as a reserve currency, i.e. the store of convertible currency they keep for monetary emergencies.

Lower interest rates mean cheaper mortgages.



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Notes and coins make the euro real

For the general public, economic and monetary union made a really tangible impact only when euro notes and coins were introduced on 1 January 2002. There are notes of seven different values and coins of eight different values. Each coin has a European design on one side and on the other a symbol of the country where it was issued. The notes, on the other hand, have no national features. Euro notes and coins, regardless of where they were issued, can be used everywhere in the euro area and in some other countries too.

Once citizens of the 12 euro-area countries had the cash in their hands and pockets, it brought home to them how much easier travel had become, and how it has added to their purchasing power. Before the euro was introduced, the cost of changing money could amount to 1% of the cost of a holiday, and significantly more for someone visiting several countries and changing only small sums of money each time. The euro has made people cannier shoppers, able to compare prices and to buy where goods are cheapest.

All this has been facilitated by EU rules on charges for withdrawing euro from cash machines, for paying by credit card and for transferring euro to another country. These charges have come down sharply or disappeared altogether.



Euro coins reflect Europe's unity yet diversity: one side of each coin has a national design.

Unfinished business

European economic integration has come about in a series of logical steps. To realise the full potential of the customs union, the EU clearly required a single market. And the single market makes most sense for many countries when trade is conducted in a single currency.

However, there is still unfinished business. More needs to be done to unlock the potential of the single market in services and to promote the digital economy, entrepreneurship and innovation. Pressures to backslide on sound public finances must be resisted.

Finishing the work on services

More integration of financial services will bring measurable benefits. For example, making it easier for companies to issue shares and bonds as an alternative to borrowing could save 0.3% of GDP. The creation of a truly single market in stocks and shares would, overall, add at least 1.1% to GDP and increase employment by half a percentage point. If banking markets were truly integrated, that could save 1.5% of GDP. Much has already been achieved and the remainder is due for completion by 2005.

There are still bureaucratic barriers to trade in other services too, and the Commission is encouraging service providers to overcome these obstacles by adopting European codes of conduct. It is also pushing the public sector to do more to attract bids from companies in other countries when buying goods and services. The extra competition could save the public sector 1% of what it spends.

Unleashing digital potential

Unleashing Europe's digital potential is equally vital to continuing growth. EU governments have already agreed to ensure that access to the Internet is cheap, fast and secure and to invest heavily in providing people with Internet skills. The EU is also working to stimulate a whole range of online activities such as e-commerce, online government services, online health services, European web content and the use of intelligent technologies to tackle transport bottlenecks.

Unlocking entrepreneurial potential

It is important to change mindsets and remove the barriers to creating and developing new businesses. Europeans lag behind Americans in this area: Europeans are more comfortable in employment than being self-employed. Yet job satisfaction is higher among those who run their own businesses.

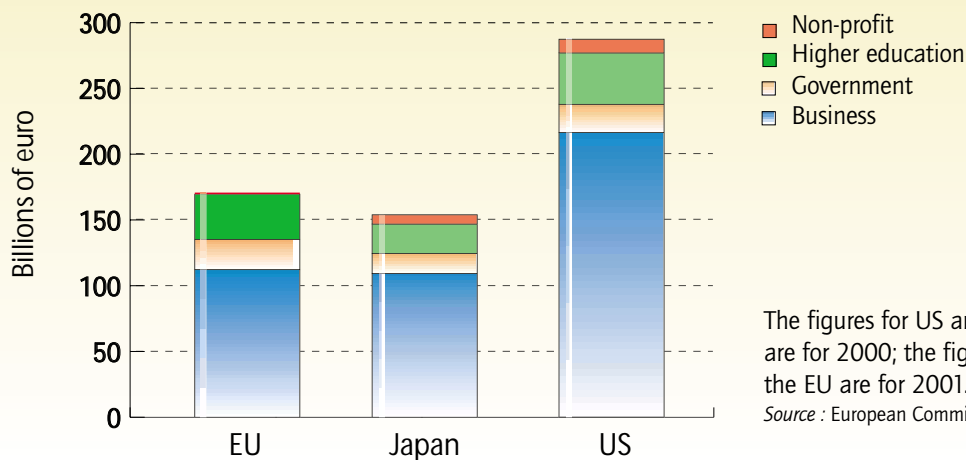
When Europeans do start new ventures, these tend to grow more slowly than their American counterparts. Barriers to innovation are a major reason. These include bureaucracy, difficulties in borrowing money to start new businesses and the high costs of obtaining patents. The European Commission is promoting action to tackle all these

problems – to cut red tape, provide easier access to start-up capital and introduce a cheaper and more efficient patent system.

Closing the technology gap

Finally, it is crucial to close the technology gap with the United States and Japan. The EU spends less than 2% of GDP on research and technological development; the US spends nearly 3% and Japan is not far behind the US. In the EU, high technology accounts for 10.1% of value added in manufacturing, as against 13.8% in Japan and 25.8% in the US. Expenditure on information and communications technology is 6.93% of GDP in the EU, 8.22% in the US and 8.98% in Japan.

Investment in research and development in the world's top economies



Building for the future

The more delays there are in realising the potential and the extra growth this can bring, the greater the pressure on government budgets, since they need tax revenues from a successful economy to pay for public services and pensions.

Governments are finding it increasingly difficult to pay for pensions and health care as life expectancy increases, people retire earlier, birth rates fall and expectations rise that advances in medical technology will be universally available. The pensions and health care of today's older generation are paid for from the contributions of those in work. In Europe today, there are four people of working age for every pensioner, but by 2040 this ratio will be only two to one.

These challenges are not unique to the EU, but are particularly acute because European birth rates are among the lowest in the world and life expectancy among the highest, pension and health care systems are particularly developed and governments want pensions and health care for all to remain a defining characteristic of European economies. A robust social welfare system is an important part of the EU's social and economic heritage. Growth helps ensure that this heritage is affordable and sustainable for future generations. If governments are to meet the costs they must 'go for growth' – by modernising the European economy, pushing ahead with integration and keeping to sound budgetary policies. More

efficient financial markets without borders will give governments and individual citizens the best return on their money. Going for growth and more jobs will generate tax revenues for governments to spend on pensions, health care and other social safety nets.

Investing in people

The EU does not, however, see growth and job creation as ends in themselves. Growth must be sustainable in the interests of the long-term welfare of its citizens and their environment. In addition, people have a right to quality jobs and access to facilities such as adequate child care. These are fundamental tenets of EU employment and social policy. So is equal opportunity. It is a stated EU goal to strike the right balance between work and the rest of life.

Growth will pay for her health care and her pension.



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People are Europe's main asset, as EU leaders agreed in Lisbon in 2000 when setting strategic goals for the current decade. Investing in people and developing an active and dynamic welfare state are as crucial to securing Europe's place in the new knowledge economy as are economic, financial and monetary integration and the pursuit of innovation and enterprise. If the emphasis is placed on people, the emergence of a new economy will be a force for social and economic cohesion.

Investing in people is crucial as the Union strives to go for growth and to become the world's most competitive and dynamic knowledge-based economy by 2010.

Further reading



To learn more about the EU economy and how the European Commission monitors the economic management of the member states, go to:

europa.eu.int/comm/economy_finance/index_en.htm

For additional background material on economic and monetary union, go to:

ue.eu.int/emu/en/index.htm

For more information about the euro see: www.euro.ecb.int and www.europa.eu.int/euro

For more on the next steps in integration, look at:

- The European single market: europa.eu.int/pol/singl/index_en.htm
- The information society: europa.eu.int/pol/infso/index_en.htm
- Research and development: europa.eu.int/pol/rd/index_en.htm

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Going for growth

The economy of the EU

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Economic and social progress and constant improvements in living and working conditions are fundamental objectives for the European Union. Experience over the last five decades shows clearly that economic integration (removing barriers to the free movement of goods, services, money and people) gives Europe a much better chance of creating jobs and sustainable growth. Much has already been achieved: the customs union, then the single market and, most recently, economic and monetary union (EMU).

EMU and the euro were, however, stepping stones, not destinations. There is plenty of unfinished business. The EU needs to remove the remaining barriers that still confine research, public purchasing and the provision of financial services within national borders. Fostering the entrepreneurial spirit, innovation and an e-Europe will make a still stronger economy that can create quality jobs and protect social welfare systems.

Other information on the European Union



Information in all the official languages of the European Union is available on the Internet. You can access it through the Europa server: europa.eu.int



All over Europe there are hundreds of local EU information centres. You can find the address of the centre nearest you at this web site: europa.eu.int/comm/relays/index_en.htm



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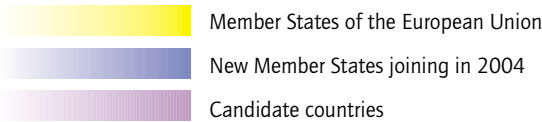
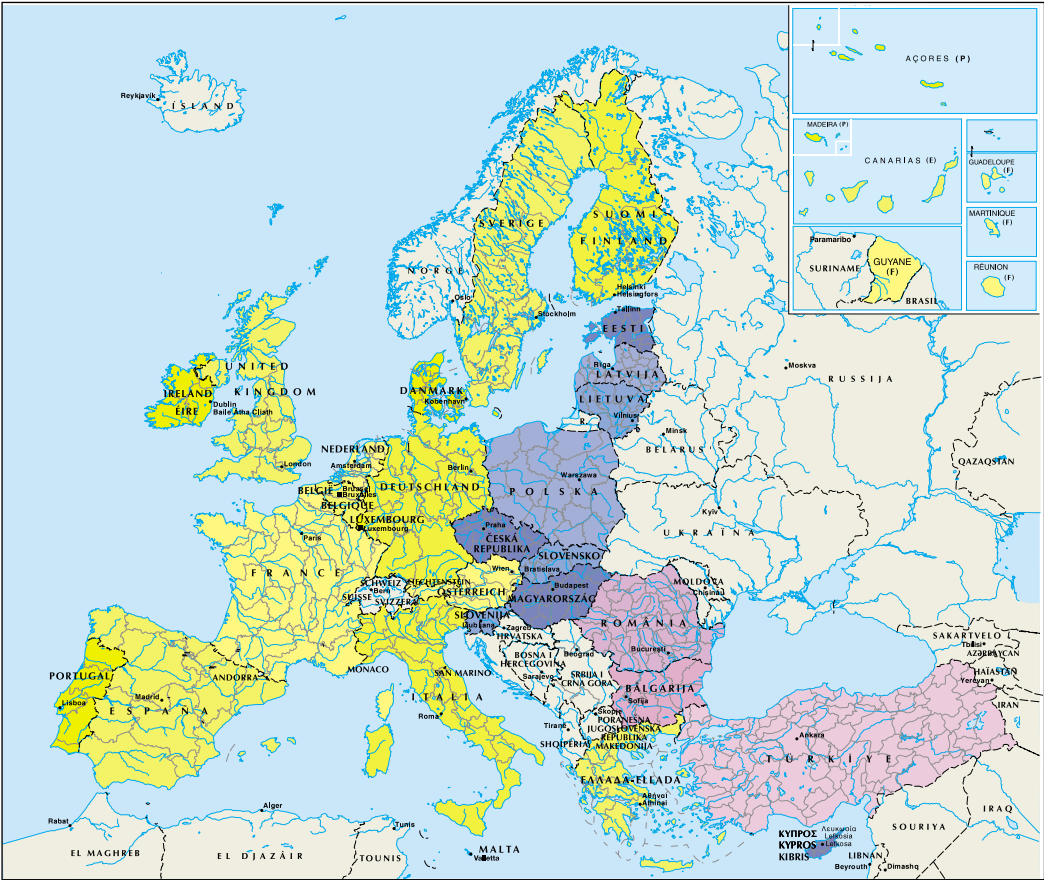
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European Commission and Parliament representations and offices exist in all the countries of the European Union. The European Commission also has delegations in other parts of the world.

The European Union





Economic and social progress and constant improvements in living and working conditions are fundamental objectives for the European Union. Experience over the last five decades shows clearly that economic integration (removing barriers to the free movement of goods, services, money and people) gives Europe a much better chance of creating jobs and sustainable growth. Much has already been achieved: the customs union, then the single market and, most recently, economic and monetary union (EMU).

EMU and the euro were, however, stepping stones, not destinations. There is plenty of unfinished business. The EU needs to remove the remaining barriers that still confine research, public purchasing and the provision of financial services within national borders. Fostering the entrepreneurial spirit, innovation and an e-Europe will make a still stronger economy that can create quality jobs and protect social welfare systems.

