Kassiani Papakosta
Economist, MsA in European Economic Studies
College of Europe, Bruges

Central and East Europe in the Single Market

The etymology of the word "Europa" in Greek (Ευρώπη), according to Isychios[1] means a woman with big, wide eyes. The Greek myth talks about this young beautiful girl named Europa, daughter of Agenores, a shepherd in the Canaan land in Phoenicia, with whom Zeus the Lord of Olympus fell in love. Zeus turned into a white, strong bull and abducted Europa, leading her in Crete, the place of origin of the European culture. The myth of Europa inspired many artists since the antiquity and it has been one of the most popular subjects for many art works[2].

It was another kind of myth that inspired the Europeans after the Second World War and placed the basis for the creation of what is now the European Union, and this was their determination to prevent killing, destruction, poverty and misery ever happening again in Europe. Therefore it was on the 9th of May 1950 when the French Foreign Minister Robert Schuman presented a proposal for deeper cooperation between European countries, known as the "Schuman Declaration" that signaled the beginning for the creation of the European Union[3].

The european integration process numbers more than 50 years of history, and throughout all those years there have been periods of rapid developments, period of stability and minor drawbacks, periods where the world has experienced economic, social, political, environmental, scientific development and changes that have affected the form and the substance of states and societies. It is an achievement that European countries have been able to stay focus and trustful to the idea of European integration and correspond a changing world, and a changing Europe that had to act as one in many aspects and also had to address individually as sovereign states different needs and problems and most importantly a different level of development.

Of course it is true that there have been times where the European Union has accepted a lot of criticism concerning its weakness to show a determined and united face in the

[1] http://www.krassanakis.gr/europe.htm
[2] http://www.europaallalavagna.it/200644/engmythzeuseuropa.html
[3] http://europa.eu/abc/symbols/9-may/index_en.htm

international political arena and also criticism concerning the lack of motive and dynamism in order to move forward with the european integration, especially the political integration since the economic integration never stopped and followed a more smooth and "automatic pilot" journey that the political integration which even after 50 years still remains in its early steps.

Today the European Union consists of 27 member states, unifying the north, the west, the east and the south of European continent; 27 member states with significant differences but also significant similarities in the level of development, languages, habits and traditions, social and political structures, needs and problems, population mix, religions, nutritional habits, weather conditions. But all European member states have common values like democracy, social justice, freedom and the state of law, the common European culture and also values of peace and prosperity. The point that holds this European construction is by far the economic benefits and the economic development that member states experienced and could have not been achieved otherwise in a Europe divided in small, sovereign in every aspect, individual and autonomous states. That is why European Union has grown from 6 to 27 member states and although many adopt the opinion that circumstances (some created by the force of the six founding states, some inevitably happened in the course of history) left no other choice to European states but to join the EU, in the final countdown the benefits surmount the costs.

In this paper we will examine one specific aspect of EU integration, the internal market and more specifically the free movement of goods within the internal market. Firstly we will present the current state of the freedom of goods in EU enlarged and we will focus on the new member states, then we will talk about the relevant costs and benefits of the internal market of goods for the new member states as well as the old member states since the internal market creates strong interdependences between countries, and finally we will analyze future perspectives for the integration process in EU. The paper following the topic of the conference will centre on East-Central European countries.

The Single Market, is based on the economic theories of international trade (the Ricardian model of international trade, the Hecksher-Ohlin model of international trade and theories developed around this two basic models).The essence of these theories and consequently the logic of the Single European Market is the following: since the majority of trade is conducted between European countries it is for their benefit to create a space of free intra-community trade where there will be no trade barriers e.g. taxes, duties, protectionist measures that distort trade and also to adopt a common customs tariff with the rest of the world, since having different customs tariff will sabotage free intra-community trade.

Therefore the Single Market will maximize results internally and will empower the economic and political statue of European countries externally, internal and external benefits are two communicating vessels, benefits to one create benefits for the other, which applies also to costs[4].

The Single Market is about bringing down barriers and simplifying rules so as to deliver an area of free movement of people, goods, services and capital for the benefit of individuals, businesses and consumers. The Single Market of goods is the most integrated of all since many barriers in the free movement of goods have been lifted. The Single Market of goods is based on two principles: the harmonization of legislation in the Community which is applied in higher-risk product sectors such as pharmaceuticals, chemicals, electrical equipment, vehicles and the mutual recognition principle which is applied in the non-harmonized lower-risk product sectors. These principles may only been challenged in cases where public safety, protection of the environment, public health are at stake.

The implementation of EU rules lies in a great extent to national authorities and one of the main objectives of the Commission is to enforce the transposition of EU rules in national legislation, both in old and in new member states. According to the "23rd Annual Report from the Commission on Monitoring the Application of Community Law (2005)" the DG Internal Market gathered information on how a Recommendation of 12 July on good practices concerning transposition has been applied nationally and the investigation showed that a considerable number of the recommendations by the Commission have been transformed into concrete measures. Also according to the same report, the DG Internal Market in 2005 examined most of the 1300 national transposal measures notified by the new Member States covering the acquis in force as of 1 May 2004 and this examination gave rise to 259 new infringement proceedings 85 of which are still open[5]. Although there has been a significant improvement in transposition of rules, and instruments pf peer pressure such as The Internal Market Scoreboard give positive results, still the transposition deficit of EU-25 is above the agreed average of 1.5% and also much is needed to be done in transposing the rules correctly since the number of infringement proceedings remains high.

Apart from the above mentioned problems, the EU today is a world leader in international trade and looking at the following statistics we can come up with useful conclusions on the current state in world trade of the Single Market.

[4] P.R. Krugman, M. Obstfeld, *International Economics. Theory and Policy*, 1994.

[5] Commission of the European Communities, "23rd Annual Report from the Commission on Monitoring the Application of Community Law", 2005.

The EU is one of the main players in the market of goods, as the table 1 and figure 1 show[6] after the United States the second main player. Even though the EU accounts for approximately 7% of the world's population the EU-27 accounts for about one fifth of global imports and exports of goods. From the 1990's until now international trade in goods always followed an upward trend, accelerating fast during the last five years. The main trading partners for EU-27 exports are the United States, Switzerland, Russia, China and Japan and for the EU-27 imports China comes in the first place, the United States, Russia, Norway and Japan. The sectors covering the majority of EU imports are the energy sector, the machinery and transport equipment sector, other manufactured goods sector (e.g. clothing, leather manufacturers, furniture, iron and steel, cork etc) and mineral fuels, lubricants and related materials and the for exports the chemistry sector, the machinery and transport equipment sector and the other manufactured goods sector. In each of the Member States the majority of trade was with other Member States (intra-EU trade) as opposed to trade with non-Member States (extra-EU trade). This is mainly the result of the establishment of the Single Market from 1993 and also of the fact that markets in EU Member States are quite homogenous and that policy decisions are taken in central level by EU organs, mainly the Council of Ministers with the European Parliament and the Commission's contribution.

Table 1: Main players in the market of goods
Source: Eurostat Yearbook 2006-07

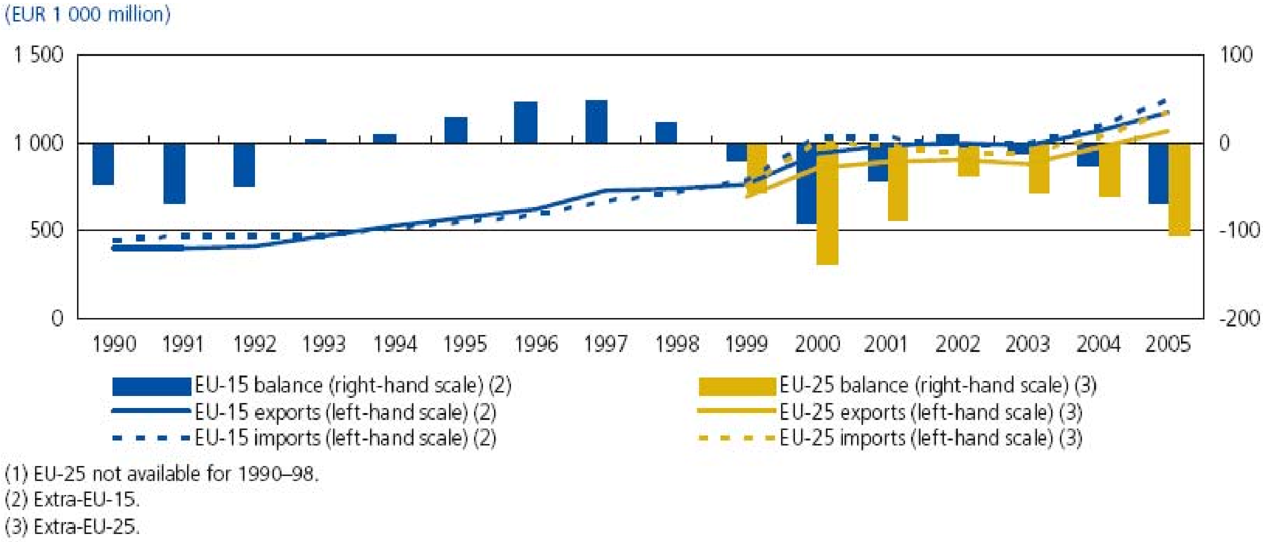
(EUR 1 000 million)

	Exports				Imports				Balance			
	1990	1995	2000	2005	1990	1995	2000	2005	1990	1995	2000	2005
EU-25 (1)	:	:	858	1 071	:	:	996	1 177	:	:	-138	-106
EU-15 (2)	396	573	942	1 173	443	545	1 033	1 242	-47	28	-91	-69
Norway	27	32	63	83	21	25	37	44	6	7	26	39
Switzerland	50	62	87	101	55	61	89	97	-5	1	-2	4
Canada (3)	100	146	300	255	91	126	260	220	8	20	40	34
China (including Hong Kong) (3)	:	114	270	477	:	101	244	451	:	13	26	26
Japan (3)	225	339	519	455	184	257	411	366	41	82	108	89
United States (3)	309	446	845	730	406	589	1 362	1 226	-98	-144	-517	-497

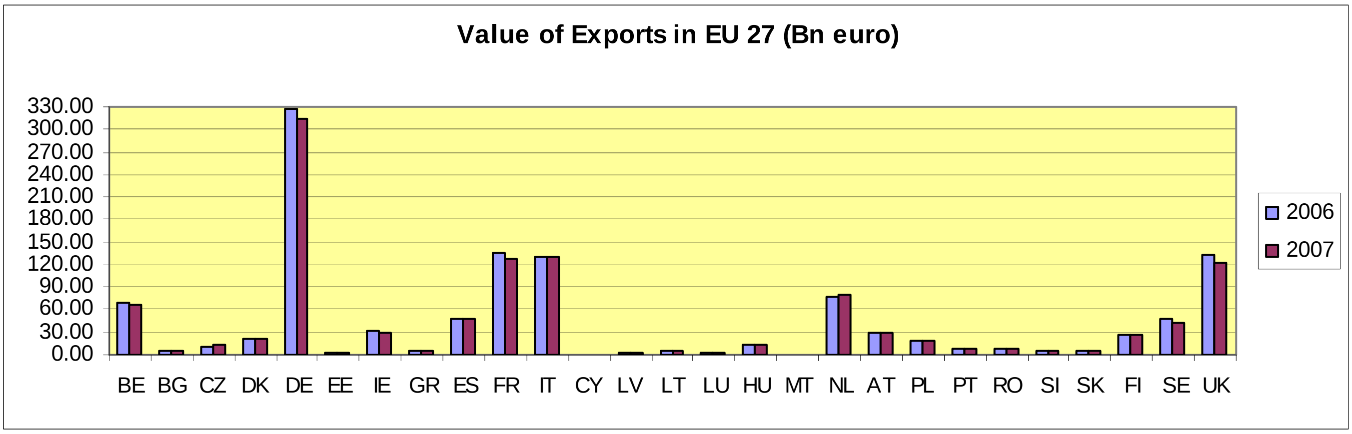
(1) Extra-EU-25.
(2) Extra-EU-15.
(3) 2004 instead of 2005.
Trade exchanges with the main players in the world market; imports are expressed in value terms and measured cif (cost, insurance, freight); exports are expressed in value terms and measured fob (free on board); extra-EU-25, trade with non-member countries; extra-EU-15, trade with non-EU-15 members.

[6] EUROPE IN FIGURES-Eurostat Yearbook 2006-07, "International Trade".

Figure 1: Evolution of international trade of goods
Source: Eurostat Yearbook 2006-07

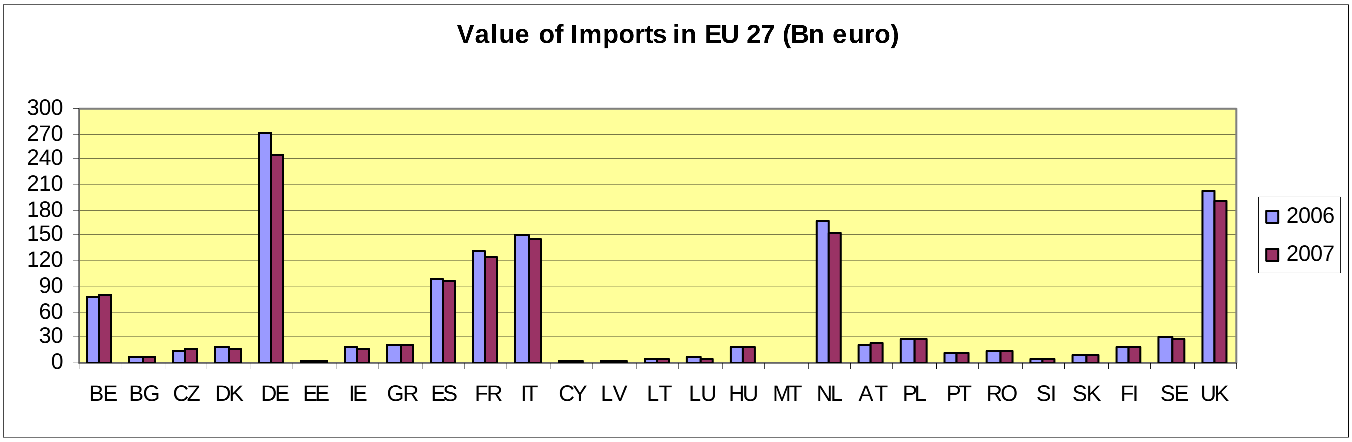


The following graphs show the breakdown of extra-EU trade, intra-EU trade and world trade by Member State in EU-27 in 2006 and in 2007, and the annual variation for world trade share in percentage points for the periods '06/'05 and '07/'06[7]. Some useful conclusions can be drawn by examining the graphs and the tables in the annex.

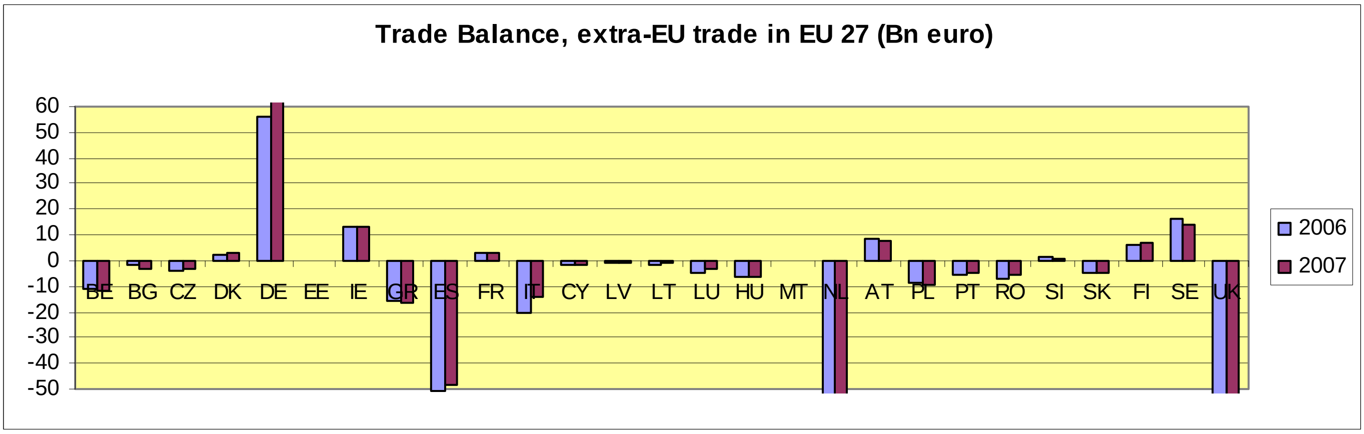


Graph 1: Value of Exports in EU 27 in Bn euro
Data Source: Eurostat

[7] Data are taken from Eurostat Statistical Book "External and intra-European Union Trade", Monthly Statistics-Issue no 2/2008. See annexes tables for the detailed data.



Graph 2: Value of Imports in EU 27 in Bn euro.
Data Source: Eurostat

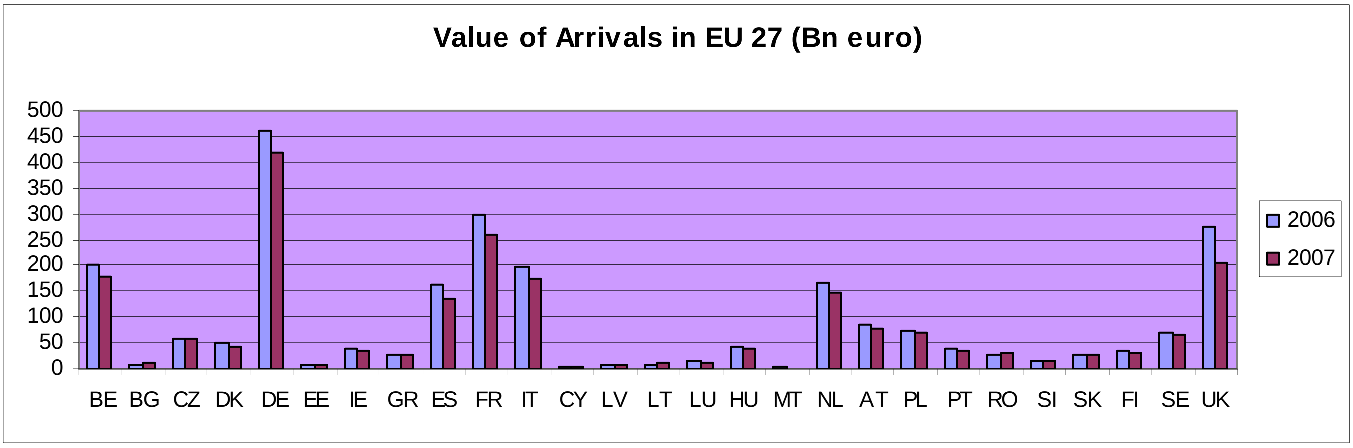


Graph 3: Trade Balance (extra-EU trade) in EU 27
Data Source: Eurostat

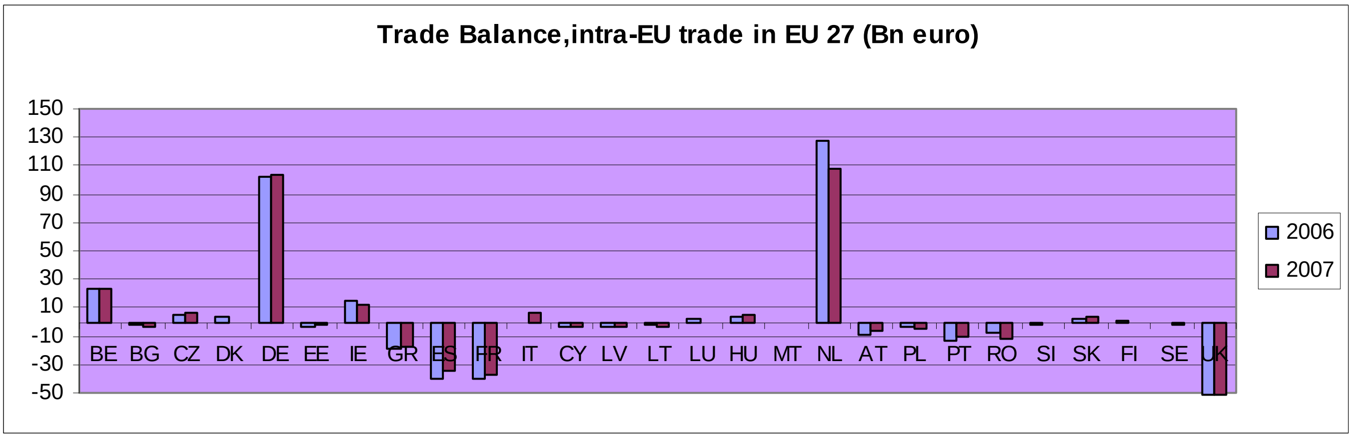
The above graphs 1,2 and 3 show extra-EU trade in EU 27 the value of exports, the value of imports and the trade balance of extra-EU trade in Bn euro for the years 2006 and 2007. From graphs 1, 2 and 3 and table 2 in the annex, we can say that the CEEC member states lack both in exports and imports compared to the EU-15, and especially in imports where most EU-15 member states present high values. There are no dramatic differences between 2006 and 2007 values both in exports and imports, although there is a diminishing tendency of trade flows in 2007. In the majority of CEEC member states import values are slightly larger than export values. Concerning trade balance, only 9 member states have a trade surplus and 18 member states have trade deficit. From the CEEC member states only Slovenia has a trade surplus and the rest have trade deficit, although very small in both cases compared to the EU-15 member states, since also trade flows are lower. The trade deficit in all CEEC member states was improved during 2007 except from Poland that presented a bigger trade deficit from -8.75 in 2006 to -9.49 in Bn euro in 2007 (8.5% increase), and for Slovenia the trade surplus felled from 1.57 in 2006 to 0.66 in 2007 in Bn euro (42% decrease).

To conclude the above graphs show that the CEEC member states are significantly less open to trade compared to EU-15 member states and even comparing more or less equivalent member in population terms, since comparing Slovenia to Germany has no point but comparing Slovenia to Austria can be considered reasonable in terms always of population numbers. The second point the graphs show is that the CEEC member states, since they are less open to trade have better results in their trade balance and the tendency of improvement in trade deficits can be used in their future long run benefit, since economic theory and practice has shown that trade deficits create reaction chain problems in the economy if they persist and augment enormously. Poland and Slovenia on the other hand they have not improved their trade balance in 2007, Poland shows bigger trade and deficit and Slovenia even though having trade surplus its lower value in 2007 is not a positive sign and needs observation. Again since the deficits are not high this can be corrected with the appropriate measures. It is a chance for the CEEC member states to take the right policy decisions and decide on strategies for improvement and long run stability in their trade balance, having as guidance the good and bad examples from EU-15 as can be tracked in the graphs.

Graph 4: Value of Dispatches in EU 27 in Bn euro
Data Source: Eurostat



Graph 5: Value of Arrivals in EU 27 in Bn euro
Data Source: Eurostat



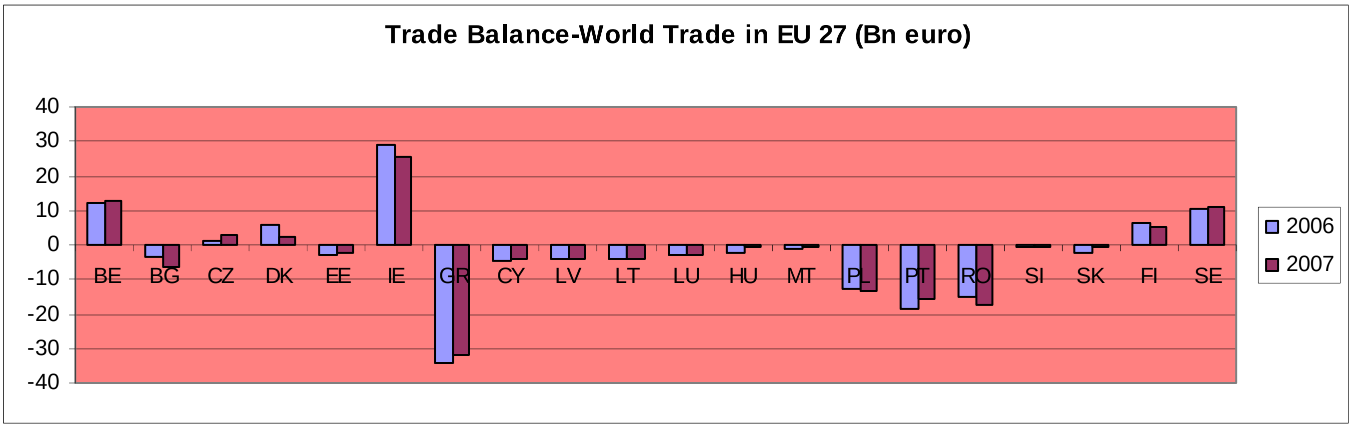
Graph 6: Trade Balance (intra-EU trade) in EU 27 in Bn euro
Data Source: Eurostat

The graphs 4, 5 and 6 show intra-EU trade in EU 27, the value of dispatches, the value of arrivals and the trade balance of intra-EU trade in Bn euro for the years 2006 and 2007. From graphs 4 and 5 looking at the volume of dispatches and arrivals we can say that again the trade flows for CEEC member states are significantly lower compared to those for EU-15 member states. Again intra-EU trade is not much developed in the CEEC member states, compared to the EU-15 members, as whole but also comparing countries that have equivalent populations. Nevertheless if we compare extra-EU trade volumes with intra-EU trade volumes for the EU 27 member states we can see that intra-EU trade flows are significantly bigger than extra-EU trade flows, and the same holds in the case of CEEC member states, therefore and this is a logical conclusion considering the existence of the Single Market, the similarities of consumption profile in European Countries, the geographical similarities, the policy of trans-european transport networks, the competition policy and other supporting community and member state policies. In all EU-27 member states the volume of dispatches and arrivals has fallen in general from 2006 to 2007 and the CEEC member states follow the general tendency in intra-EU trade flows.

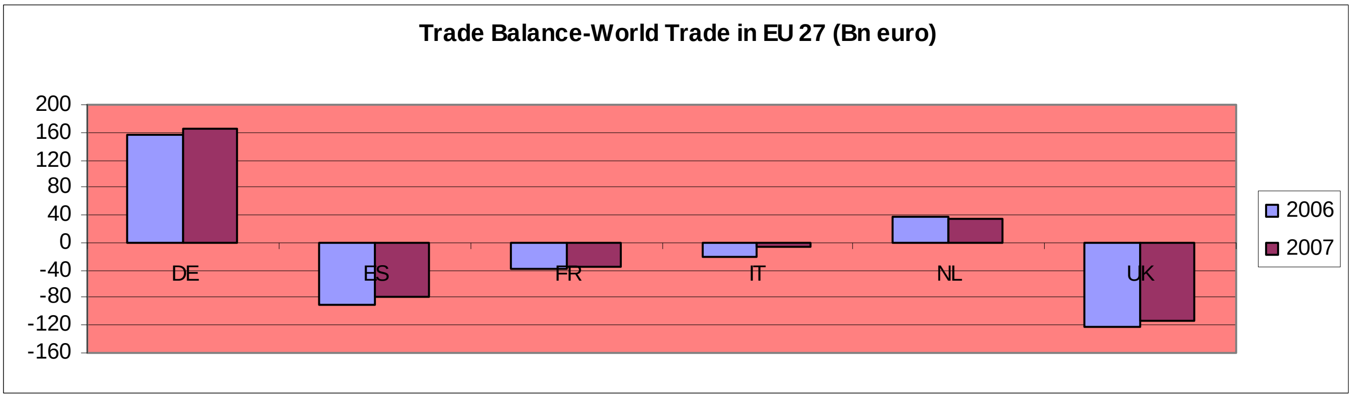
More specifically concerning the CEEC member states, the value of dispatches is lower than the value of arrivals except in the case of the Czech Republic, Hungary and Slovakia which present exceeding value of dispatches than the value of arrivals. Therefore the trade balance in these three countries is positive, a trade surplus and for the rest CEEC member states the trade balance is negative, a trade deficit. We can see the evolution of the trade balance in each CEEC member states by comparing the intra-EU trade balance for 2006 and 2007 and calculating the percentage change. Firstly we will compare the change of the trade surplus in absolute terms in Bn euro, in the Czech Republic the trade surplus in 2006 was

5.05 and in 2007 was 5.71 (13% increase), in Hungary in 2006 the trade surplus was 3.71 and in 2007 5.17 (39% increase), in Slovakia in 2006 the trade surplus was 2.09 and in 2007 3.63 (74% increase). Then we will compare the change of the trade deficit in absolute terms in Bn euro. In Estonia the trade deficit in 2006 was -2.89 and in 2007 was -2.52 (a 22% decrease), in Latvia from -3.48 trade deficit in 2006 increased to -3.57 (a 0.26% increase), in Lithuania the trade deficit in 2006 was -2.52 and in 2007 increased to -3.12 (24% increase), in Poland also the trade deficit increase from -4.16 in 2006 to -4.65 in 2007 (12% increase), and last in Slovenia we had also a decrease in the trade deficit from -2.29 in 2006 to -1.26 (55% decrease). In conclusion five of the CEEC member states (the Czech Republic, Hungary, Slovakia, Estonia and Slovenia) managed to improve their trade balance performance from 2006 to 2007, three of which increased their trade balance and especially in the case of Slovakia the increase was noticeably high 74% and two Estonia improved its trade deficit by succeeding a 22% decrease Slovenia improved its trade deficit by succeeding a 55% decrease, both high percentages. The other three of the CEEC member states (Latvia, Lithuania and Poland) present a bigger trade deficit in 2007 than in 2006, in Latvia the trade deficit increased only by 0.26% but in Poland increased by 12% and in Lithuania by 24% and these percentages should draw the attention of policy makers and economists in those two countries. In general their performance is good and it can be improved and reversed in the cases where the performance is not so positive by trying to exploit the full benefits and opportunities that the Single Market gives. In the analysis of their performance we should also take into account that the rest of the EU-27 countries in general presented trade surpluses lower in 2007 than in 2006 but trade deficits generally improved in the most cases in 2007, except some countries (Bulgaria, Romania, Finland, Sweden and United Kingdom) that presented a bigger trade deficit in 2007 than in 2006.

The next graphs and 9a-b show world trade balance by Member State (extra and intra-EU trade) in absolute values in Bn euro in EU-27 and we have divided countries in two graphs because there are huge differences in the values and therefore representing a value of 4 Bn euro and a value of 800 Bn euro in the same graph would not help our analysis and also the readers of this paper.



Graph 9a: Trade Balance in world trade in EU 27
Data Source: Eurostat



Graph 9b: Trade Balance in world trade in EU 27
Data Source: Eurostat

From the two graphs we see that EU 27 member states in general performed well in their trade balance accounts from 2006 to 2007, there were no dramatic changes but most of the member states managed to increase their surpluses and decrease their deficits.

All CEEC member states present trade deficit in world trade except the Czech Republic which presents a trade surplus. The member states that had a trade deficit managed to reduce it in 2007 except from Poland that augmented it from -12.91 in 2006 to -13.22 in 2007, by 2.4%. The best performing member states in terms of their trade balance are the Czech Republic that increased its trade surplus from 1.38 to 2.78 (201% increase), Hungary that decreased its trade deficit from -2.39 to -0.36 (84% decrease) and Slovakia that decreased its trade deficit from -2.37 to -0.84 (64% decrease). The other member states decreased their trade deficit but to a smaller extent, Estonia from -2.97 to -2.59 (12% decrease), Latvia from -4.29 to -4.28 (0.23% decrease), Lithuania from -4.17 to -4.12 (1.2% decrease) and Slovenia from -0.73 to -0.69 (5.5% decrease).

In general what we can conclude from the above analysis that in 2007 in the CEEC member states there is a tendency of growing trade flows both in extra-EU trade and in intra-EU trade. Comparing extra-EU trade with intra-EU trade in each member state from central and east Europe we see that in all member states extra-EU trade values augmented from 2006 to 2007 except from Slovenia where extra-EU trade values diminished and in intra-EU trade values augmented in Estonia, Latvia, Lithuania, Poland and Slovenia whereas they diminished in the Czech Republic, Hungary and Slovakia. The trade balance also has been corrected in all cases and this is a positive thing, although it cannot be encountered totally to the presence of the Single Market, despite the advantages it gives to the Member States and the opportunities to correct their trade balance since it creates a market of almost half a million consumers for intra-EU exports and it gives the advantage to replace expensive extra-EU imports with intra-EU imports free from distortive, protectionist measures as tariffs. The good performance of these countries is also due to their effort to integrate and to reach the criteria for adopting the euro.

The single market was created on the base of the benefits an area of free trade would offer to each member and to the union as a whole which would then diffuse to each member state, business, consumer and citizen. The costs also were known but the logic was that there would be effort done by the community and member states through policy initiatives, strategies, community funding in order to eliminate them and create mechanisms for reaction and adaptation, and also it is a strong belief that the market itself through creating growth and prosperity will correct for the costs created.

The benefits for the CEEC member states can be divided to benefits for businesses, consumers and state. The benefits for the businesses in general is that they can operate an a much larger market that their domestic one, taking advantage of economies of scale, of a market with 500 million consumers for their product, on the flows of technology and information that helps them reach the objective of business, maximizing their profit. Benefits for consumers can be summarized in the phrase greater competition-lower prices and wider variety of goods. The benefits for the state is that it conserves budgetary funds from elimination of border controls and administration procedures and it benefits from prospering business which pays taxes, creates employment and incomes which also is taxed. The benefits from the single market can be many and indicatively we say that the disappearance of barriers means:

- Exchange of knowledge and technology will be easier.
- Foreign competition improves business transparency and accountability.

- Access to the single market will improve the attractiveness of the CEECs for foreign investments.
- Economies of scale from a larger market will benefit business.
- Productivity will increase.
- Consumer goods will become cheaper, better in quality and more diverse.

Costs of the single market in general come from the fact that once protectionist measures are abolished markets are open to competition and since the powers of free market and competition are blind and ruthless business and citizens are open to them, which means possible business closure especially in traditional sectors with no competitive advantages and in SMEs sector, this translates into unemployment and loss of income, also for consumers it may mean danger from products that do not comply with safety and technical standards, environmental issues and possible economic slowdown if the negative results overlap the positive ones and if not economic slowdown, the opening of protectionist markets to competition creates the need of reforms supported from the state and this reforms are costly in the short-run. Costs also arise from the fact that these markets have to be regulated according to the commission directives and the acquis communautaire, which may diminish some of their comparative advantages and thus slow down economic growth.

A critical view of the implications of EU enlargement in CEEC countries that corresponds to the above idea of community regulation, was presented by Alasdair Smith (University of Sussex and CEPR)[8] who points out: “the possibility that the unequal relationship between the EU and the CEECs would lead in directions that responded more to the needs of EU producers than to the priorities of political and economic development in the CEECs, thereby slowing the process of EU enlargement for fear of the impact on existing member economies”. In the same line of thinking we can find arguments that point out that the CEECs level of development was not the appropriate one to allow for the implication of EU rules and that deprives CEECs member states from comparative advantages that would otherwise lead to a higher rate of economic growth. They argue that CEECs member states when joining the single market they adopted a common tariff and a trade policy with third countries that imposed more tariffs and protectionist measures than they had before and that leads to higher prices and lower standard of living. Another strong argument is that the CEEC member states by adopting the acquis communautaire they adopted regulations on work policy, the agricultural products, technical standards, environmental standards and tax policy,

[8] Economic Policy Initiative, Romanian Institute for Free Enterprise, 17-10-1997

and these regulations create the most significant costs for the CEEC member states. The conclusion is that the CEECs economies could benefit the most from the Single Market, if they were not obliged to adopt the acquis communautaire, and this obligation creates inequalities in the potential for development to the expense of CEECs economies. They suggested that the CEECs countries should have concluded only free-trade agreements and not becoming full EU members, since the regulations have been designed and imposed by the richer and most developed EU old member states, to their advantage[9].

Benefits or costs, or both the Single Market and the EU is a reality. In terms of transposing of directives in 2007, member states perform really well according to the scoreboard, with 22 member states below the target of a 1.5% transposition deficit, and only Greece, Portugal, the Czech Republic, Poland and Luxembourg failing to reach the target thus showing a commitment to the goals of the Single Market. The CEECs member states are making a lot of progress in reaching the criteria to adopt the euro and benefit more from the Single Market when operating within with a single strong currency the euro. The Single Market has increased EU prosperity; 2.75 million extra jobs have created over the period 1992-2006; has enhanced the ability of EU firms to compete globally, has made the EU attractive to foreign direct investments and one of the bigger trading partners.

It could be argued that directives introduce new regulations in the CEEC member states but the same regulations apply to all member states, which are not exactly are flooding in prosperity. And again in every accession new members had to comply with common rules and adapt to them, and maybe these rules where more developed in the case of the 10 new member states but this was the natural development of EU regulation that has a history of more than 50 years. Some also argue that EU policies need more regulation and convergence. The argument that the CEEC countries lose from regulation seems like wishing for an all win-win situation, which would not be in some cases fair for the old member states and might lead to more divergence than convergence. In any case the community never denied that becoming an EU member surely has costs, but first the benefits are larger, second the community provides the mechanisms and the financial help to make the transition smoother and thirdly it is up to the political representatives, the business representatives, the society of each member state to cooperate and adopt sustainable strategies in order to benefit the most, invest the benefits properly for the future development, confront effectively the costs and making them short-term costs and not long-run costs.

[9] Policy Analysis, no 489, September 18, 2003.

The objectives of a Single Market of 21st century is reforms in order to deliver more to its citizens and business, by simplifying existing regulation, consultation with stakeholders and impact assessment, using the opportunities of globalization, supporting the SMEs, taking into account the social, environmental and cohesion dimensions of internal market policies, more decentralized, more accessible and better communicated and more targeted and impact-driven. The Single Market like any other market is influenced by the global trends and the changing economic, political and social environment and changes itself in order to be viable. Therefore a forward looking of the degree to which the Single Market will be able to correspond to this changes and challenges is more relevant than a mere analysis of the extent to which the Single Market has fulfilled original expectations.

The Single Market program which aims at enhancing competition has the support of the majority of economic theories proposing that competitive markets bring welfare and dynamism. The Single Market has brought a lot of benefits and gains but as many reports from the Commission, but also outside sources like think-tanks, universities, institutes etc realize that the Single Market has not functioned to its full potential. This is not an absolute blame of the Single Market program, other factors also played a significant role but it is also a common point for the majority of economic opinion that the absence of sufficient structural reform and the weaknesses in the functioning of product, capital and labour markets affect significantly the performance of the Single Market.

The enlargement of the EU makes it more diverse and sometimes more difficult to ensure adequate and uniform implementation of the Single Market but also it strengthens its competitiveness and its ability to compete in world markets. The approach for the Single Market of tomorrow should be one that brings benefits closer to citizens, better coordinate with other policies, adapt to the needs of the enlarged EU-27 which is more diverse in its levels of development, composition of sectors, regulatory capacity and competition, embrace the shift to a services economy driven by innovation and knowledge. The future perspectives of the Single Market depend on its ability and on the member states policy decision, to bring reforms on the basis of the following needs:

- Innovation and knowledge needs interconnection with competition and trade policy and national reforms.
- Enlargement process needs more differentiation, flexibility and simple application.
- Citizens need effective social policies that deal with the consequences of rapid economic adjustments.

To conclude our paper we will note some key points of a survey conducted to EU citizens on their opinions on the internal market, as published in the Special Eurobarometer publication of 2006:

- Increasing competition within the internal market is perceived as a good thing: over 80% of Danish, Estonian, Irish, Polish, Latvian and respondents consider this. The largest share of those that think increasing competition is a bad thing are in France (26%), Luxembourg (22%) and Austria (20%).
- The majority of Europeans 73% state that the internal market has contributed positively on the range of products and services. On the influence on prices, 50% perceive the effect as positive while 30% perceive it as negative.
- 50% of european citizens tend to agree that further free movement of people, products and services in the EU will make the economy more successful compared to the world.
- 42% of EU citizens have stated that they have not noticed any price differences for the same products and services between Member States recently and 39% holds the opposite position.
- 29% of EU citizens say that they feel well informed about their rights in the internal market and 45% say that they are uninformed.
- Citizens on the ten new member states appear to have more positive attitude towards the internal market than citizens from the old member states[10].

Although the above conclusions are conclusions of a periodical survey and cannot be used to take a strong position concerning the costs and benefits of the single market or drawing definite conclusions on the subjects presented at this paper, they can be seen as indicative. Or better said it is fair to include in the paper some basic opinions on the single market from the EU citizens that live, study, work within the single market, after all the single market was created for the benefits of its people. It seems that the European people are taking a positive opinion on the single market and the potential that creates, potentials to work, study, live, trade, consume, do business in a market that has taken down a lot of barriers and needs to abolish many more, but a market that undoubtedly cannot be compared to size, force, dynamics and growth with the divided, domestic markets of each member state before the new reality of the single market.

[10] Special Eurobarometer “Internal Market. Opinions and experiences of citizens in EU-25”, October 2006.

ANNEX

Table 2: Extra-EU27 Trade by Member State

EXTRA-EU27 TRADE BY MEMBER STATE							
		EXPORTS		IMPORTS		TRADE BALANCE	
EU27		2006	2007	2006	2007	2006	2007
		Value Bn euro					
Belgium	**BE**	68.18	67.51	78.96	79.52	-10.79	-12.02
Bulgaria	**BG**	4.62	4.81	5.99	8.24	-1.37	-3.43
Czech Republic	**CZ**	10.82	12.12	14.48	15.42	-3.67	-3.3
Denmark	**DK**	21.32	20.75	18.91	17.67	2.41	3.08
Germany	**DE**	326.58	313.74	270.61	244.8	55.97	68.94
Estonia	**EE**	2.66	2.23	2.74	2.27	-0.08	-0.04
Ireland	**IE**	31.80	30.18	18.36	17.04	13.44	13.14
Greece	**GR**	5.97	5.75	21.65	21.83	-15.69	-16.08
Spain	**ES**	49.08	48.26	100.07	96.57	-50.99	-48.3
France	**FR**	136.24	128.89	132.96	126.13	3.28	2.76
Italy	**IT**	129.57	131.53	150.18	145.61	-20.62	-14.07
Cyprus	**CY**	0.32	0.26	1.73	1.7	-1.41	-1.43
Latvia	**LV**	1.35	1.52	2.16	2.32	-0.81	-0.79
Lithuania	**LT**	4.10	4.00	5.75	5.1	-1.65	-1.1
Luxembourg	**LU**	1.87	1.75	6.31	4.99	-4.44	-3.24
Hungary	**HU**	12.46	13.15	18.56	19.31	-6.1	-6.1
Malta	**MT**	1.05	0.97	1.02	0.79	0.03	0.18
Netherlands	**NL**	76.97	80.99	166.73	153.11	-89.77	-82.11
Austria	**AT**	30.50	30.26	22.23	22.72	8.27	7.54
Poland	**PL**	18.56	19.60	27.31	29.09	-8.75	-9.49
Portugal	**PT**	7.79	8.03	12.95	12.89	-5.16	-4.86
Romania	**RO**	7.68	7.53	14.93	13.35	-7.25	-5.82
Slovenia	**SI**	5.85	6.21	4.28	5.54	1.57	0.66
Slovakia	**SK**	4.36	5.12	8.82	10.21	-4.46	-5.09
Finland	**FI**	26.20	26.07	19.82	19.49	6.38	6.58
Sweden	**SE**	46.89	43.00	30.68	29.47	16.2	14.33
United Kingdom	**UK**	132.45	123.17	202.39	191.08	-69.94	-67.9

Table 3: Intra-EU 27 Trade by Member State

INTRA-EU27 TRADE BY MEMBER STATE							
		DISPATCHES		ARRIVALS		TRADE BALANCE	
EU27		2006	2007	2006	2007	2006	2007
		Value Bn euro					
Belgium	**BE**	224.06	202.78	201.36	179.46	22.7	23.31
Bulgaria	**BG**	7.13	6.75	9.43	10.33	-2.3	-3.57
Czech Republic	**CZ**	64.79	62.82	59.74	57.11	5.05	5.71
Denmark	**DK**	52.40	43.53	49.19	43.68	3.21	-0.15
Germany	**DE**	564.77	524.25	463.15	420.38	101.61	103.87
Estonia	**EE**	5.08	4.65	7.97	7.17	-2.89	-2.52
Ireland	**IE**	54.96	46.73	39.7	34.09	15.26	12.65
Greece	**GR**	10.56	9.11	29	26.27	-18.44	-17.17
Spain	**ES**	121.13	102.63	161.72	136.87	-40.59	-34.24
France	**FR**	258.69	221.77	298.64	259.73	-39.96	37.95
Italy	**IT**	197.43	181.04	198.16	174.82	-0.74	6.23
Cyprus	**CY**	0.75	0.62	3.79	3.54	-3.04	-2.92
Latvia	**LV**	3.55	3.60	7.03	7.17	-3.48	-3.57
Lithuania	**LT**	7.17	6.81	9.68	9.93	-2.52	-3.12
Luxembourg	**LU**	16.33	12.02	14.92	12.19	1.41	-0.16
Hungary	**HU**	47.47	45.22	43.77	40.05	3.71	5.17
Malta	**MT**	1.07	0.90	2.15	1.91	-1.08	-1.01
Netherlands	**NL**	292.28	257.45	165.25	149.09	127	108.36
Austria	**AT**	78.42	70.07	87.05	76.29	-8.63	-6.22
Poland	**PL**	69.67	65.74	73.83	70.38	-4.16	-4.65
Portugal	**PT**	26.72	24.07	40.16	35.09	-13.43	-11.01
Romania	**RO**	18.17	17.48	25.81	29.58	-7.65	-12.1
Slovenia	**SI**	12.65	12.69	14.95	13.95	-2.29	-1.26
Slovakia	**SK**	28.97	30.37	26.88	26.75	2.09	3.63
Finland	**FI**	35.15	30.98	35.03	31.49	0.12	-0.51
Sweden	**SE**	70.45	62.57	70.5	64.08	-0.05	-1.51
United Kingdom	**UK**	224.87	154.15	276.39	205.98	-51.52	-51.83

Table 4: World trade balance by Member State-annual in absolute values

WORLD TRADE BY MEMBER STATE			
		TRADE BALANCE	
EU27		2006	2007
		Value Bn euro	
Belgium	**BE**	11.91	12.76
Bulgaria	**BG**	-3.68	-6.63
Czech Republic	**CZ**	1.38	2.78
Denmark	**DK**	5.62	2.45
Germany	**DE**	157.59	165.6
Estonia	**EE**	-2.97	-2.59
Ireland	**IE**	28.7	25.23
Greece	**GR**	-34.12	-31.98
Spain	**ES**	-91.57	-78.56
France	**FR**	-36.68	-34.87
Italy	**IT**	-21.36	-7.27
Cyprus	**CY**	-4.46	-4.23
Latvia	**LV**	-4.29	-4.28
Lithuania	**LT**	-4.17	-4.12
Luxembourg	**LU**	-3.03	-3.04
Hungary	**HU**	-2.39	-0.36
Malta	**MT**	-1.04	-0.86
Netherlands	**NL**	37.27	34.45
Austria	**AT**	-0.37	0.61
Poland	**PL**	-12.91	-13.22
Portugal	**PT**	-18.59	-15.37
Romania	**RO**	-14.9	-17.26
Slovenia	**SI**	-0.73	-0.69
Slovakia	**SK**	-2.37	-0.84
Finland	**FI**	6.5	5.47
Sweden	**SE**	10.15	11.3
United Kingdom	**UK**	-121.46	-112.37

References

Web Pages

http://www.krassanakis.gr/europe.htm
http://www.europaallalavagna.it/200644/engmythzeuseuropa.html
http://europa.eu/abc/symbols/9-may/index_en.htm
http://europa.eu/scadplus/leg/en/s70006.htm
http://ec.europa.eu/internal_market/index_en.htm
http://www.cepr.org/pubs/bulletin/meets/719.htm
http://ec.europa.eu/internal_market/top_layer/index_18_en.htm
http://ec.europa.eu/internal_market/top_layer/benefits_en.htm

Bibliography

A single market for 21st century Europe", Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Commission of the European Communities, "23rd Annual Report from the Commission on Monitoring the Application of Community Law", 2005.

EUROPE IN FIGURES-Eurostat Yearbook 2006-07, "International Trade".

Eurostat Statistical Book "External and intra-European Union Trade", Monthly Statistics-Issue no 2/2008.

"EU enlargement. Costs, Benefits and Strategies for Central and Eastern European Countries", Policy Analysis, No 489-September 18,2003.

Special Eurobarometer "Internal Market. Opinions and experiences of citizens in EU-25", October 2006.

"The Single Market: Yesterday and Tomorrow", Marcel Canoy, Roger Liddle and Peter Smith. Bureau of European Policy Advisers (BEPA).European Commission.