

Summary

December 2 Dictation

• Many country of Europe become EC members and EC become the single European Market. In 1986, Single European Act required the adoption of more than 300 measures to remove physical, technical and fiscal barriers to international trade within the Europe In order to launch the Single Market. In 1992, all trade barriers within the EC have eliminated.

• In 1992, Maastricht Treaty called for the creation of new European currency and a European Central Bank. Established the convergence criteria relating to inflation, long term interest rates, exchange rate stability, public sector deficit and national debt. EU new currency hovers around \$1.25 and in the past week has gone above \$1.30.

• A much looser version of political unification in which the member states retain their national sovereignty.

• A strategy to make the EU by 2010 the most competitive and dynamic knowledge based economy in the world. But there is no single European model. For example, West and North are competitive, but East and South are more Equity based.