

EU/Monaco

Monaco launches communication campaign

By Tanguy Verhoosel | Tuesday 10 September 2013

The Principality of Monaco launched, on 9 September in Brussels, a large-scale communication campaign highlighting its “unique role in the world”. It wants to be treated accordingly by the 28, which on the contrary aim to structure their relations with European micro-states, often seen as “fragmented”.

On 20 November 2012, the European Commission put out a communication identifying different “options for closer integration” of Monaco, Andorra and San Marino with the EU. For the executive, this is in the common interest, given the barriers to the free movement of persons, goods and services that continue to exist on both sides and penalise everyone.

A month later, on 20 December 2012, the then-27 concluded that the “most viable options” for integration are, by order, the participation of the three micro-states in the European Economic Area (EEA: EU28 plus Norway, Iceland and Liechtenstein) and the negotiation of “framework association agreements” that include “institutional mechanisms” based on the model of the EEA agreement.

COHERENCE

The work assigned to the Commission and European External Action Service (EAS) in this context “should be guided by the need to ensure the homogeneity and the good functioning of the internal market, while taking into account the specificities of the three countries, as well as by the importance of developing a coherent approach for all three countries,” insisted the 27.

There is no such coherence currently.

San Marino (61.2 km², 32,000 inhabitants) is tempted to go a step further: to open membership negotiations with the Union. Citizens of this small republic will be asked to vote on this issue in a referendum, on 20 October. Andorra (468 km², 78,000 inhabitants) is open to both options suggested by the Council – the EEA or a framework association agreement. Monaco is holding out.

HARMONY RATHER THAN HARMONISATION

“It is part of its culture to prefer harmony to harmonisation,” said Monaco’s Minister of State Michel Roger, who represents the prince, on 9 September. There is no question of a “copy-paste,” he added. Monaco wishes to develop its relations with the EU and is therefore willing to negotiate a “specific partnership agreement” with the Union, “but the discussion cannot come at the cost of sacrificing what makes us unique”.

This discussion began at the start of 2013 with a questionnaire sent out by the Commission, which is currently examining the responses it received. The 28 will take stock in December and negotiations

will be kicked off in early 2014. They will last “at least until 2015,” said Roger, who “trusts” that the Union can find in its institutional “toolbox” an agreement acceptable to Monaco.

PROTECTING LOCAL ECONOMY

The principality will not accept an agreement that “organises freedom of establishment” for companies in Monaco’s territory. It intends to “protect” the local economy, which otherwise could be watered down in the economy of Southern France.

More than 5,000 companies that create 1,000 new jobs every year are established in Monaco, whose inhabitants represent 120 different nationalities and where 40,000 French and Italian nationals come to work every day. The communication campaign, budgeted with €1.2 million, will spotlight these unique features and the dynamism of the local economy in developing new environmentally friendly sources of energy.

On the other hand, Monaco “wants an update” of certain of its agreements with the EU and is prepared to negotiate new ones to facilitate access to the European market for its companies and citizens.

Due to its very close relations with France, Monaco forms part of the EU customs union, is recognised as a point of entry to the Schengen area and directly applies French legislation resulting from EU acts in certain sectors.

The principality has also signed three specific agreements with the Union. They concern use of the euro, which has become the national currency, the application of measures equivalent to those in the EU in the area of savings taxation, and the sale of medicines, cosmetics and medical devices.

OBSTACLES

The pharmaceutical agreement has not proven satisfactory, notes the minister of state. It is supposed to facilitate the marketing of Monaco’s products on the European market but has never been “recognised” by Germany and was recently torpedoed by France.

Monaco wishes to correct this situation in the context of the future partnership deal with the EU.

It also wishes to address other subjects in this context, starting with the free movement of persons. “An EU citizen encounters no obstacles to working or living in Monaco. On the other hand, for a citizen of Monaco, moving to certain EU states to work or study can involve tremendous difficulties,” said Roger.

The principality plans to convince the EU to open its financial services market to the countless operators established in its territory. This would be the counterpart to the European Commission’s request that it negotiate a savings taxation agreement .

“The Commission agreed to ensure reciprocity for Monaco’s financial products ten years ago, but nothing ever happened,” said the minister of state.

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