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TRAVEL: Cheaper air fares on the way?

Transport ministers make good progress - but still have some ways to go.

The European Community's transport ministers managed to take off, but have yet to break the sound barrier. They reached agreement on two of the issues which so far have prevented the evolution of air travel in the public's interest but left the third with their experts and for a future meeting.

On March 24 the transport ministers embarked on their umpteenth attempt to liberalize air travel in the 12-nation Community. For the moment air travel is subject not only to national rules but also agreements between "official" airlines, which show as little concern for the passenger's pocketbook as for the Treaty of Rome, whose 30th anniversary was celebrated the day after the Transport Council had met in Brussels.

The ministers began by setting the new criteria for discount fares, criteria which will allow a larger number of passengers to benefit from them ... once there is agreement on the full package of liberalisation measures.

Under the new criteria, a traveller could enjoy reductions on off-peak flights of 10 to 35% of the normal fares, on condition that he bought his round trip ticket 14 days in advance and accepted a 20% penalty in case of cancellation or change in the reservation.

Airlines could give reductions of 35 to 55%, with the biggest discounts for really off-peak flights. The under-25s, the over-60s and groups would enjoy cheaper fares on condition they booked two weeks in advance and agreed to a 20% cancellation fee.

Other categories of passengers would have to book four weeks in advance and would face a 50% cancellation fee. However, the criteria which have been adopted are still provisional.

Ten of the 12 ministers agreed to a formula aimed at opening up routes to much greater competition. At present, national airlines serving a given route share the passengers between themselves on a 50/50 basis. The formula now agreed to by ministers provides for capacity sharing on the basis of 55/45 for two years and 60/40 at the end of the third year. However, Italy and more especially Greece, have expressed reservations.

But any final agreement on the liberalization of air travel will have to await an agreement on market access - such as the possibility, for example, for the Belgian airline, Sabena, to fly between Paris and Nice.

POST-CHERNOBYL: 1,000 extra cancer deaths forecast for the EC

British experts assess the effects of last year's nuclear accident in the USSR.

Around 1,000 persons living in the 12-nation European Community will die over the coming decades from cancers caused by the radioactive fall-out from the nuclear accident at Chernobyl nearly a year ago. This is among the conclusions of a report prepared by British experts for the European Commission.

The experts claim that some of the various types of cancer resulting from the fall-out are not fatal. They foresee an additional 2,000 cases of cancer of the thyroid, of which some 5% could prove fatal.

While the radioactive fall-out affected all parts of the Community, the highest radiation levels were recorded in Germany, Italy and France. The measures taken by European governments, including the ban on certain foodstuffs, reduced by 5% the radiation absorbed by the Community's population, according to the experts. In some parts of the Community this figure was as high as 50%, however, because of the measures adopted by some governments.

CANCER: Food has a role to play

Fruit and vegetables make for a healthy diet.

That eating as much fruit and vegetables as possible reduces the risk of cancer is one of the main conclusions that can be drawn from the statistics published recently by the European Commission in the context of its action plan "Europe Against Cancer".

Roughly 70% of those suffering from stomach cancers eat very few fruit and vegetables as is the case with some 20 to 40% of those with colorectal cancers.

Cases of lung cancer are also more frequent among those whose diet lacks fruit and vegetables, as are cases of cancer of the oesophagus.

The statistics also show that 20% of women with cancer of the uterus and 20% of men with cancer of the prostate gland are overweight.

INFLATION: Moderate rise in February

0.3% for the 12-nation Community - but with major differences from one country to another.

The consumer price index rose 0.3% for the 12-nation European Community as a whole in February. This means that inflation is now running at the same moderate rate as last year, according to the experts at Eurostat, the Community's statistical office.

But there are considerable differences from one member state to another, as always. While prices fell 0.1% in Denmark in February, they rose by 1% in Portugal. In other member states the price rise was between 0.1% and 0.4%.

The inflation rate once again exceeded 3% in the 12 months to February, although it stood at 2.7% in January. As a result, the Community's inflation rate remains higher than the American (1.4% in January) and Japanese (-1.1% in January).

Between February 1986 and this February prices fell in the Netherlands, Germany and Luxembourg and rose only 1% in Belgium. In the other Community countries price rises exceeded the Community average, and ranged from 3.4% in France to 16.8% in Greece. In the space of a year the EC's newest member states managed to push the consumer price index down from 9% to 6%, in the case of Spain, and from 12.6% to 9.5% in that of Portugal.

INVESTMENT: ECU 1,500m* for small businesses

Governments and the European Parliament agree to a new series of European loans.

The European Community has received the green light to lend small and medium-sized companies up to ECU 1,500m. The loans will be made in the framework of the New Community Instrument (NCI), a device which allows the Community to lend to them through the intermediary of national and regional banks.

The fact is that half the total amount has been borrowed by the European Commission, using normal NCI procedures, while the other half is being provided by the European Investment Bank, the EC's own bank.

The EC Council of Ministers had already agreed in principle to these loans last December, but the European Parliament wanted to make sure the funds could be replaced, once exhausted. Council and Parliament were able to reach agreement on March 9.

* 1 ECU = UK£ 0.71 or IR£ 0.78.

ENVIRONMENT: May 18 to 24 will be Birdwatch Week

The European Commission hopes the public will discover the joys of watching and protecting birds.

Birds will come into their own during the week beginning May 18, when bird lovers throughout the 12-nation European Community will launch Birdwatch Europe '87. Between May 18 and 24 the general public will be encouraged to take an interest in our feathered friends and help protect them.

The Week, which is being financed by the European Commission as part of the European Year of the Environment, will be marked by special radio and television programmes, exhibitions, films, lectures and competitions. The Week's highlight will be Birdwatch Europe Day on May 24, when hundreds of sites will be open to the public. Experienced volunteers will be on hand to introduce visitors to the joys of birdwatching.

Those wanting details of what is being planned in their area can write to John Haw at the RSPB, The Lodge - Sandy, Beds SG19 2DL in the U.K. or to Roberta Reneers, at IWC, Seaview, Cronroe, Ashford, Co Wicklow, in Ireland.

ENVIRONMENT: The Commission launches "Better environment awards for industry"

Prizes for production technologies and products that are environmentally sound.

The European Commission has just launched its "Better environment awards for industry" as part of the European Year of the Environment, 1987. Prizes will be awarded to individuals, firms and organizations that, since the beginning of 1983, have demonstrated their commitment to environmental protection in four industrial areas.

They are: clean production technology, "green" product design, good environmental management (and this includes creation both of greater environmental awareness and of jobs) and the export of appropriate environmental technology to developing countries.

The competition will be organized simultaneously in all 12 member states and winners of the national awards will be able to compete for a Community prize. It is intended to hold the competition annually, as far as possible, after the European Year of the Environment is over.

INVESTMENTS: The environment and technology were strong favourites last year

The annual report of the European Investment Bank.

Lending by the European Investment Bank (EIB), the European Community's bank for long-term finance, came to more than ECU 7,500m* last year, as compared to less than ECU 7,200m. in 1985. Loans for projects to be carried out inside the 12-nation Community came to ECU 6,700m., as against ECU 5,600m. in 1985. Loans for environmental and technological projects soared last year, even though they amounted to no more than 20% of the total.

The EIB lent a total of ECU 702m. for environmental protection, an increase of 95% over 1985. It helped finance the installation of anti-pollution devices in a number of thermal power stations in Germany, so as to bring them into line with recent national legislation. The EIB also provided funds for the construction of a reservoir which will supply drinking water to some 2.5m. Germans in the event of an ecological disaster leaving the Rhine severely polluted once again.

The EIB lent ECU 574m. for the new technologies, an increase of 76% over 1985. The loans helped finance the extension of Philips' compact-disc player factory in Belgium. The factory, to be fully automated, will become the largest of its kind in the world. The Bank is also helping the French car manufacturer, Peugeot, automate its paintshop in France.

The energy sector remains a major borrower; the EIB lent it ECU 2,600m. last year. But priorities have changed. Nuclear energy no longer ranks first; loans to it fell by 25% in 1986, while those for energy conservation and renewable sources of energy more than doubled.

The development of the Community's disadvantaged areas remains the EIB's top priority; last year it accounted for some 54% of the Bank's total lending, or ECU 3,700m. in all. Most of the lending was to areas with either high levels of unemployment or incomes below the Community average. Italy continued to be the main beneficiary with loans of over ECU 1,800m., well ahead of the U.K. (ECU 404m.) and France (ECU 390m.).

* 1 ECU = UK£ 0.71 or IR£ 0.78.

GOVERNMENT BUYING: Throwing open an ECU 400 billion market to all Community suppliers

The European Commission wants governments and public sector undertakings to buy "European".

Roughly 75% of the public procurement contracts in the 12-nation European Community are awarded by governments and public sector undertakings to national firms. This absence of Community-wide tendering results in public money being squandered on a massive scale, with the taxpayer footing the bill, of course. To end this waste, the European Commission has just proposed (1) better enforcement of existing European regulations and (2) their extension to areas of the economy which have been excluded so far.

EC governments and public sector undertakings spend an estimated ECU 400 billion* each year on goods and services. But only 20% of their purchases are made under conditions which allow all potential Community suppliers to compete on equal terms. The sums wasted as a result have been put at ECU 40 billion.

The Community adopted directives in 1971 and 1977 which aimed at opening up government contracts to outside firms; for example, they provided for tender announcements to be published in all the member states. But the application of these regulations leaves much to be desired, as Lord Cockfield, the Commissioner for the internal market, pointed out recently.

This is why the European Commission has sent the Twelve a series of measures aimed at ending the discriminatory practices national governments resort to, or at the very least penalizing them. It would like powers to (1) suspend, for a 3-month period, contracts awarded under doubtful conditions; and (2) ask the courts in the member states to set aside contracts awarded in violation of Community rules and order compensation for firms whose interests have been injured, and (3) obtain the elimination of tender conditions which have been drafted in such a way as to favour national firms.

The existing Community regulations exclude certain key sectors: telecommunications, transport and the supply of energy and water. The Commission has proposed to the Twelve the adoption of a general legislative framework which would make it easier for the EC Council of Ministers to take certain decisions and give the European Commission powers to take some decisions itself.

In Lord Cockfield's view the Twelve should welcome the Commission's money saving proposals.

* 1 ECU = UK£ 0.71 or IR£ 0.78.

ECU: From the World Bank to local branches of national banks

The European Commission's "currency" continues to make headway.

Slowly but - or so it would seem - surely, the ECU is making headway. Since March 25, the 30th anniversary of the Treaty of Rome, the EC's "constitution", the ECU is available in Belgian banks and post offices in the form of gold and silver coins. Even the World Bank has now agreed to its use as a currency in international transactions.

Created in 1979 with the European Monetary System, the ECU, the European Currency Unit, is an embryonic currency made up of a certain weighted quantity of each Community currency, with the temporary exception of the Spanish peseta and the Portuguese escudo. Since 1985 it exists in the form of travellers cheques. The Belgian government decided to mark the Community's 30th anniversary by putting on sale a five ECU silver coin and a 30 ECU gold coin.

The two coins, the first of their kind, bear the head of Charles the Fifth, the 16th century emperor who ruled over more than half the countries that today make up the European Community and created a new monetary system. The 12 stars of the Community flag appear in a circle on the reverse side of the new coins.

The ECU is gaining ground in the World Bank also, as the European Commission recently pointed out in reply to a question from a Belgian Euro-MP, Alfons Boesmans. Last year the World Bank refused to accept a bid from an Italian company which was tendering for a Hungarian chemical project.

The Italian firm had quoted its prices in ECU which, the World Bank argued, "is not a currency". The European Commission pointed out to the Bank's officials that both companies and individuals in the 12-nation European Community are making increasing use of the ECU.

Although the World Bank still does not regard the ECU as a full-fledged currency, it now accepts its use both in tenders and as a means of payment.

* 1 ECU = UK£ 0.71 or IR£ 0.78.

TRADE: The search is on for young executives tempted by Japan

Some 40 places are available on a highly successful training programme.

The European Commission is looking for bright young executives, of both sexes, who are tempted by the Far East. It has places for some 40 of them on its executive training programme, which lasts 18 months and is conducted entirely in Japan.

Each year since 1980 a group of young executives has been flying to Japan to take part in the European Community's training programme. The first 12 months are spent on an intensive Japanese language course, punctuated by talks and guided visits. Another six months are spent working in a Japanese company.

The programme's aim is to familiarize executives working for European firms with the language, mentality and working methods of their Japanese counterparts in order to stimulate exports to Japan. Despite a 40% rise last year to \$12,400m., Community exports to Japan are still only half the size of American exports.

The training programme is meant for executives who are between 25 and 38 years of age, are nationals of a member state and working for an export-oriented European company, one already doing business with Japan or likely to.

The next programme, the eighth, will run from May 1988 to September 1989. Those interested can write to the offices of Ernst and Whinney in the U.K. and Ireland:

Kieran Brannigan
Ernst and Whinney
Stephen Court
18/21 St Stephen's Green
Dublin 2, Ireland

Mike Gostick
Ernst and Whinney
Becket House
1 Lambeth Palace Road
London SE1 7EU, England.

The European Community meets the programme's basic costs, including language tuition costs and fees and makes a contribution towards living costs. To date more than 200 persons have taken part. A report on the first four programmes claims they have been a success.

Thank to them some European companies have increased their exports to Japan by 35 to 40% in a year. Others have been able to sign up Japanese distributors or reach the same productivity levels as their Japanese competitors. Several former trainees in fact are now settled in Japan.