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This newsheet is published in six languages (English, French, German, Dutch, Italian and Spanish) by the Directorate-General for Information, Communication and Culture of the

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SMALL BUSINESSES: ECU 400,000* for 12 professional bodies

So that European SMEs may be better informed about the EC.

Thirty years after the adoption of the "European Constitution", the Treaty of Rome, and five years before the date set for the completion of the single European market, companies established in the 12-nation European Community can neither ignore nor neglect the European dimension.

However, small and medium-sized enterprises (SMEs) often find it more difficult than large ones to learn about and exploit to the full the advantages Europe offers. In order to help them overcome their handicap the European Commission has taken a fresh initiative, to add to the many taken since last October, when the Community adopted an action programme aimed at helping SMEs.

It has now given ECU 400,000 to the 12 professional bodies that represent various categories of SMEs on a Community basis. Thanks to this aid they will be able to keep SMEs more effectively posted on all matters relating to Europe of interest to them. The 12 bodies cover a wide range of activities, from industry to the crafts, not forgetting all the varieties of retailing, including doorstep selling and peddling.

* 1 ECU = UK£ 0.70 or IR£ 0.77.

INFLATION: The EC is doing better than the U.S.

3.2% against 3.7%.

For the first time since 1980, inflation was running at a lower rate in the European Community than in the United States. Prices rose 3.2% in the 12-nation Community, for the 12 months through May, as against 3.7% in the U.S. in April, the latest period for which American statistics are available.

In the U.S. the rate of inflation over 12 months, which was below 2% in January, has risen sharply since then. But it would be unwise of Europeans to congratulate themselves; inflation had fallen below 3% in the Community in January.

The Japanese appear to be unaware of inflation; in May Japanese prices were down 0.1% over a 12-month period. In the Community, only the Netherlands and Luxembourg did even better, while Greece, at the other end of the scale, recorded an inflation rate of nearly 18%.

During May prices rose by 0.2% in the Community as a whole. Prices fell in Spain and Luxembourg while the price index was stationary in Belgium.

DEVELOPING COUNTRIES: The EC and India are on the same wavelength

They have just launched an ambitious programme of industrial cooperation.

Industrialists and scientific experts from the world's largest trading power, on the one hand, and the world's largest democracy, on the other, are to work together, thanks to an ambitious programme of industrial cooperation drawn up last month during a visit by India's Industry Minister, Mr Vengala Rao, to the European Commission.

The programme covers fields as varied as industrial standards, energy and information technology. It should open up fresh opportunities on two of the world's largest markets for European and Indian companies, especially small and medium-sized ones. The fact is the European Community has a population of 322m., while India's is nudging the 800-million mark.

In the field of standards, the programme provides for Indian experts to spend some time in European standards institutes. Their European counterparts will visit India and contacts will be established between European and Indian standards institutes.

The programme also envisages the creation of a databank on the transfer of technology. In addition, India will benefit from the Community's experience in computerized telecommunications and energy conservation. The energy bus, which shows European companies how to save energy, should be seen on the roads in India from the end of 1988.

Joint ventures and other forms of cooperation between Indian and European companies are to be encouraged in a number of sectors, including engineering goods, machine tools and medical and surgical instruments. The European Commission will also help promote exports of Indian software.

The programme includes scientific research. Two activities are to be started in September, the first to control atmospheric pollution, the second to fight leprosy. Later, the two sides are to undertake research into biotechnology, materials technology and, not surprisingly perhaps, in view of the Bhopal accident, industrial disasters.

The new programme of industrial cooperation is being implemented in the framework of the 1981 cooperation agreement between the Community and India.

EMPLOYMENT: Child labour to be banned in the near future?

The European Parliament wants a ban on the employment of those under 16.

Child labour was not confined to the world of Charles Dickens and Emile Zola; it remains a serious problem in 1987, both in the developing countries and the European Community. There has even been a resurgence of child labour, according to the European Parliament. A resolution voted recently by the Euro-MPs calls for a ban on the employment of those under 16 years of age in all 12 member states, and strict rules regarding the employment of young people between 16 and 18.

All Community countries already have national regulations setting a minimum working age. But if half of them set the minimum age for hazardous work at 18, and the others at 16 to 18, the basic minimum age is often rather low.

In Greece, for example, a 12-year old can be employed in a hotel, café or restaurant, while in Portugal children can start to work from the age of 14. This is also the case as regards children engaged in farm work in Italy and Denmark. In most other Community countries the basic minimum age is 15, although in the U.K., France and Spain it is 16.

A number of international conventions have been drawn up by the International Labour Office (ILO), a specialized agency of the United Nations. Fewer than half the member states have ratified all the conventions, which set minimum standards as regards night work of young persons, hours of work, rest periods, etc.

The implementation of national laws, however imperfect they may be, leaves much to be desired, according to the report prepared by the Euro-MP Suarez Gonzalez. Cases of infringement of the law appear to be more frequent - and less severely punished - in the countries of southern Europe (Greece, Italy, Portugal and Spain). But there have been abuses in the U.K. and France also, especially in the agricultural sector, and in the Netherlands as regards night work and working hours.

The European Parliament wants children to remain at school until the age of 16 in all the member states. Their employment before this age would, therefore, be banned, with the exception of light work in a family business or in public entertainment - cinema, theatre, radio and television. The Euro-MPs also want the employment of young people between the ages of 16 and 18 to be subject to parental authorization. Even so, they would not be allowed to undertake certain types of work.

ENERGY: Cooperation with China is yielding tangible results

A vast potential which remains largely untapped.

For a country so richly endowed with sources of energy - it is the world's second largest coal producer, has one of the biggest potentials for hydroelectric power and possesses substantial reserves of oil and natural gas - China has largely neglected its opportunities. Despite a spectacular rise in oil production, which has taken it from 13th place to the 6th among the world's oil producers between 1973 and 1986, China could do much better. As for hydroelectric power, only 5% of the country's potential is being used.

The People's Republic of China has nevertheless set itself the goal of increasing its natural wealth by some four times by the year 2000, even while increasing its energy consumption by only twice the current levels.

To meet this target China's leaders are counting as much on a more effective exploitation of this energy potential as on cooperation with the European Community, begun in 1980. This cooperation has already produced results, as Mr Song Jian, President of the State Commission for Science and Technology, underlined in the talks he had with the EC's Energy Commissioner, Nicolas Mosar, during the latter's recent visit to China.

As a result of China having elected to work closely with the Community, their cooperation has increased dramatically. More than 2,000 Chinese managerial staff have been trained in the four EEC/China centres established in Beijing, Tianjin, Nanjing and Hangzou, while three new centres, capable of training 600 managers each year, have just opened their doors.

The effects of this training programme are already evident: the newly trained managers have reorganized, in some cases completely, the use of energy in their undertakings, with savings of more than 20%!

Since 1987 Sino/EC cooperation has intensified in all fields. China is now counting on European expertise in nuclear safety and environmental protection.

During his visit Mr Mosar inaugurated the EEC/China centre for the training of safety inspectors for the nuclear industry. Experts will also be trained to fight against the atmospheric pollution which is the bane of China's large urban centres. The renewable sources of energy (wind, solar, biomass, etc.) are already a reality in China and cover some 25 to 30% of its current needs.

INFORMATION TECHNOLOGY: Seek, and ye shall find

The Commission would like to spend ECU 50m.* on fundamental research.

"I don't look, I find", Pablo Picasso used to say. But this is not as evident in fields other than his. Discoveries in information technology, for example, require research, which in turn requires scientists. In the European Community, as indeed anywhere else, scientists in turn are looking for the best working and living conditions. And if they fail to find them in European universities, they look elsewhere, either by taking early leave of their laboratories for a career in industry or leaving for the United States.

As a result, basic research teams in the Community countries are generally five times smaller than those to be found in American and Japanese universities. The departure of so many university graduates and post-graduates is only making the situation worse: in the medium and long term the Community will no longer have enough good professors to direct teams engaged in fundamental research, even though European universities currently are world leaders in a number of fields.

To stop this brain drain representatives of the European Commission and scientific and industrial circles have just drawn up a proposal for a series of strategic activities to be undertaken in the second phase of the ESPRIT programme. ECU 50m. would be devoted in the coming years to conducting fundamental research on a cooperative basis between universities, industry and research centres. This sum, for which ESPRIT would be budgeted, would be used in the first place to finance, or co-finance, the totality of infrastructure costs and scholarships.

The programme should prevent fundamental research from ending up as the poor relation in Europe, even if the sum envisaged is very small when compared to those which American universities dispose of. From computer manufacturers alone they receive something like \$300m. a year.

* 1 ECU = UK£ 0.70 or IR£ 0.77.

DEVELOPING COUNTRIES: Drawing closer to Latin America

EC foreign ministers adopt political and economic guidelines.

In the months and years ahead relations between the European Community and the countries of Latin America should intensify. The guidelines adopted by the foreign ministers of the Twelve on June 22 point the way to much greater cooperation in the economic, political and cultural fields.

The Twelve feel that recent political developments in Latin America are drawing it close to the European Community - and therefore justify a strengthening of relations. The fact is the majority of South Americans today live under democratic regimes, unlike only a few years ago. The Twelve mean to "back the establishment of democracy" and "reinforce democratic governments in the region".

Several groups of Latin American countries have begun to cooperate among themselves, either politically or economically. This had led to the creation of the Andean Pact*, a proposal for a Central American Parliament and an economic rapprochement between Brazil, Argentina and Uruguay. The Community has declared its readiness to help these groups benefit from its experience.

At the economic level, the Twelve feel that the more rapid growth of Latin American economies is of interest to the countries in the regions that are heavily in debt as well as to the Community's own member states. In order to encourage this growth, the Community wants to grant Latin American products a stable, and if possible increased, access to its market, even while helping the countries concerned to diversify their exports.

The Twelve also want to promote industrial cooperation, notably by encouraging joint ventures and fostering joint activities in the scientific field.

In addition, the Community countries intend helping the least developed Latin American countries build up their agriculture and attain self-sufficiency in food.

The Community's ministers also favour, more generally, a better coordination of their own national policies towards Latin America. Finally, bearing in mind the impact of Spain and Portugal on the Community, they wish to extend their activities to the cultural field.

* Bolivia, Colombia, Ecuador and Peru.

AGRICULTURE: Is Europe too sugary?

The world sugar market is in crisis, with stocks piling up.

The European Community is the world's largest sugar producer, despite the fall which followed the peak year, 1981-82, when production reached 15m. tonnes in a Community of 10 member states. The EC is also the second-largest exporter in the world, with exports of 4.2m. tonnes in 1985-86, out of a total production of 12.7m. tonnes for the 10-nation Community.

Consumption - and it is this which leaves a bitter taste in the mouth - is tending to fall and amounted at that time to around 9.2m. tonnes, consumption per head having fallen from 35.6 kgs. in 1979-80 to 33.8 kgs. in 1985-86. It is almost certainly even lower in the 12-nation Community, as consumption in the two newest member states, Spain and Portugal, is below the average for the Ten.

The reasons for the fall in sugar's popularity are many. The most important, however, are (1) the negative views of many doctors and dieticians and (2) competition from artificial sweeteners. Is there a future for sugar in Europe under these conditions?

This was the theme of a conference organized by the Club of Brussels* in the Belgian - and European - capital on June 25, with the active participation of many of the leaders of the European sugar and agro-food industries.

The speakers, not surprisingly, strongly attacked those who claim that sugar is harmful. Someone even maintained that "our Judeo-Christian education, which has turned us against all pleasures, including those of the table, is at the root of the campaign against sugar".

Sugar clearly must refurbish its image if it wants to hold on to its market. It could point out that sweeteners such as saccharin or cyclamates have also come under attack. But even if the use of sugar as food stops growing, its future would not be entirely bleak.

The fact is that sugar, a source of carbon, is also a raw material for the chemical industry. Its high price is a considerable obstacle, of course. But the prospects are nothing short of glowing, according to some experts. The European Commission took their views into account when, in 1986, it adopted a new regulation on the industrial uses of sugar.

Its effects are already being felt. The forecast is that the increased use of saccharose in the chemical industry will provide an outlet for some 540,000 tonnes in 1990. As for bio-ethanol, which could contribute effectively to the fight against pollution from car exhausts, its use could develop faster than is thought likely, despite certain reservations expressed by the Commission which, even so, does not challenge the claim that it could be an ideal way of putting agricultural surpluses to good use.

*The Club, set up by news organizations specializing in Community affairs, seeks to stimulate public discussion on major European issues.

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An OECD study has shown that more than two-thirds of the population of the United States and the European Community are prepared to sacrifice a part of their income in order to ensure better management of the environment, which suggests that the problem of costs is perhaps not as insurmountable as some have thought. In any case, sugar's future lies in diversification, in the agrofood industry, as a source of energy and as a raw material for the chemical and other industries.

HEALTH: Should be kept inside thermometers

A European Commission directive bans the sale of mercury-based soaps within the Community.

"Quicksilver", "Quecksilber", "argento vivo" ... In nearly every language mercury conveys the image of something very difficult to handle, as if endowed with a life and will of its own. It is not very surprising, therefore, to find mercury in some varieties of soap.

Mercury is harmful to health, however, and under a European Commission directive on the harmonization of national laws on cosmetics adopted last September, the member states should have banned the sale of soaps containing mercury. This is far from easy, however, as only France and Germany do not make it.

A British Euro-MP, Michael Hindley, moreover, has raised the problem of exports, for such soaps are made in the U.K. - for export. The European Commission has therefore sent to the European Community's Council of Ministers a proposal which aims at regulating trade in certain dangerous chemical products.

The Commissioner responsible for consumer protection, Grigoris Varfis, has noted that this proposal contains a clause allowing the Commission to negotiate, on behalf of the Community, notification and consultation procedures in this field with the OECD and UNEP.