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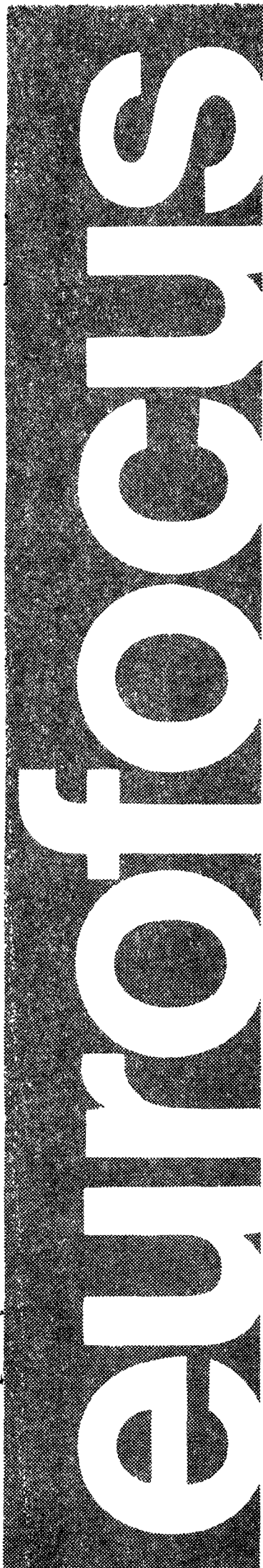
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EUROFOCUS wishes its readers a Merry Christmas and sends them its best wishes for the new year. The next issue will be dated 8/15 January 1990.

Mailed from: Brussels X



TOURISM: The 1990 European Year of Tourism is launched in Strasbourg ...

... in the presence of EC and EFTA ministers.

Some 130mn. Europeans invade the beaches and ski slopes of Western Europe each year, travelling by train, car, bicycle, horse - and even on foot. The result is the growth of one of the biggest sectors of cultural and economic activity.

The fact is that the tourist industry employs some 7.5mn. people in Europe, making it one of the most important in economic terms. It accounts for 6% of the Community's total workforce, 5.5% of its national income, 8% of consumer expenditure and 4% of its foreign trade. Europe is the most favoured tourist destination at the international level: nearly two journeys out of three were to European destinations in 1988.

These are impressive figures. But the EC Commissioner for tourism, Antonio Cardoso e Cunha, believes Europe must act quickly if it is to hold on to its lead in the tourist stakes. The fact is that European tourism has been losing ground in recent years: it has been growing by 5% a year, while the world market has achieved a growth rate of nearly 7%.

The European Year of Tourism offers an opportunity to recover lost ground through a variety of concrete actions, which anticipate and stimulate the creation of new destinations and new forms of tourism, both for European and international visitors. Meeting tourist demands is the challenge facing the tourist industry in the Europe of tomorrow.

The European Commission, Mr Cardoso e Cunha declared at the opening ceremony in Strasbourg, will help the industry respond to this challenge. Projects which highlight the objectives of the European Year of Tourism will be co-financed for up to 40%, for example. Such projects will seek to promote cultural and rural tourism, youth exchange programmes and tourism in the off-season.

For the EC Commissioner "tourism is above all a means of exchange in terms of cultural understanding, the appreciation of a common heritage and the growing together of the peoples of Europe."

INTERNAL MARKET: Pills and the single market

In the single market patients will enjoy greater protection.

The European Commission has just adopted the last three draft directives designed to complete the single market for pharmaceutical products.

The first of them deals with the safety of the distribution network. It will make it possible to check the entire distribution chain, from the factory to the chemist's shop. This should guarantee the best conditions of conservation, transport and handling of pharmaceutical products. The Commission's draft also seeks to ensure that the free movement of goods is not used to prevent defective or dangerous products from being withdrawn from sale.

The Commission's second proposal seeks to approximate the criteria used in the different Member States to classify pharmaceutical products, notably their level of toxicity, their possible side effects, the care to be taken in their use, the risk of dependence, etc. In practice this means that EC residents will be able to take with them, during their travels within the Community, the medicines they need for their own use - in reasonable quantities, of course. They will also be able to order by post, from another Community country, the pharmaceutical products they need.

The third Commission proposal deals with the information leaflets supplied with pharmaceutical products. The information provided will have to be complete and written in a language easily understood by the consumer.

These three directives could come into force from 1 January 1992, in which case they would both encourage the free movement of pharmaceutical products and safeguard consumers.

ROAD TRANSPORT: A European look for national carriers

Cabotage gets the green light from the Twelve.

From 1 July 1990 a British carrier will be able to pick up freight in the south of France for delivery in Paris, just as a German carrier will be able to deliver goods from a warehouse in London to a store in Dover. At present carrying goods between two points within the same country is "national" transport - and a monopoly of local carriers. But the European Community's transport ministers decided on December 5 to allow all Community carriers to engage in "cabotage", in the jargon of the trade.

Carriers will have to be based in a Community country and be authorized to transport goods across national frontiers. However, until 31 December 1992 "European" cabotage will require a permit, of which 15,000 will be issued in the first year. They will be valid for two months. The Twelve have undertaken to adopt permanent arrangements before 1 July 1992, thus giving birth to a genuine, frontier-free road transport system.

ROAD TRANSPORT: Special training for drivers at high risk

They will need special certificates to transport dangerous goods.

The European Community's transport ministers have tried both to reduce the risk of serious accidents on the roads and move a little closer to the single market. To this end they have adopted Community legislation requiring all drivers of vehicles carrying dangerous goods to hold a special certificate.

It will be issued to drivers who have followed theoretical courses, carried out practical exercises and passed an examination. The certificate will be valid throughout the Community and will be mandatory from 1 July 1992 for drivers engaged in the transport of dangerous liquids and goods of an explosive nature. It will be required from 1 January 1995 in the case of other types of dangerous goods.

AIR TRANSPORT: The EC Commission withholds authorization of the IATA rules on freight for the present

It doubts whether they conform to the EC Treaties.

The European Commission has failed to be convinced by the agreement on freight rates which European Community airlines have concluded among themselves in the framework of the International Air Transport Association (IATA). In March 1988 and February 1989, the Association sought, on behalf of those of its members taking part in the multilateral coordination of freight rates, an attestation from the Commission to the effect that the agreements conformed to the Community's competition rules.

IATA also requested, if secondarily, exemption from these rules. While the Treaty of Rome bans all price fixing agreements it does leave the door open to exemptions in favour of agreements which benefit consumers or contribute to the production or distribution of goods or promote technical or economic progress.

In the Commission's view the agreements in question are likely to limit competition as regards freight rates for air transport between the Community's airports. IATA in fact has failed to show that the restrictions on competition which can result from the system are off-set by benefits for the users.

The Commission has therefore decided to inform IATA of its "doubts" on the compatibility of the agreements in question with the Community's competition rules, thus inviting it, if implicitly, to modify them.

AIR TRANSPORT: The second phase of liberalization should begin after 1992

The Twelve reach an agreement in principle.

"A wider choice and cheaper fares for airline travellers" was how the European Competition Commissioner, Leon Brittan, summed up the outcome of the recent meeting of the European Community's transport ministers, at which agreement was reached on the total liberalization of air transport. The 1993 deadline has been confirmed, after a transitional period during which several key measures are to come into force. Even if the initial timetable for their implementation is not kept to entirely, the principle of liberalization is an accepted fact now, as the European Transport Commissioner, Karel Van Miert, stressed.

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Although Denmark, Portugal and Greece had reservations about some of the dates set by their EC partners, the guidelines for the new operating rules for 1993 have now been defined. From that date the veto powers currently enjoyed by governments over airline proposals to reduce fares will be progressively restricted. Both the countries in question will have to agree to reject the proposed new fares on the basis of the "double disapproval" principle, which will replace the present "double authorization" principle. This radical change should result in greater competition, to the benefit of airline passengers.

There will also be greater flexibility in the application of the capacity-sharing rules. At present a Member State can prevent the share of its national airlines from falling below 40%. But the transport ministers have already agreed to the principle of a 7.5% annual reduction from 1 November 1990, with a view to the total elimination of these restrictions in 1993.

A PEOPLE'S EUROPE: French family allowances for children living in Belgium

The EC Court of Justice has ruled in favour of a Belgian lawyer.

"The self-employed are entitled to the family allowances provided for by the laws of the country they work in, even if the members of their family reside elsewhere." This sums up the ruling handed down by the European Community's Court of Justice in a case involving a Belgian lawyer who sought the payment of French family allowances to his children, living in Belgium.

This was a right which only wage earners enjoyed until recently. However, since October an EC regulation provides that self-employed persons, established in a country other than their own, can obtain the payment of family allowances, even when their families have not joined them. This has now been confirmed by the European Court of Justice. It should be added that the legislation in question applies retroactively, 15 January 1986 having been set as the date when it came into force.

This means that the Roubaix-Tourcoing social security office will now have to pay Patrick Delbar, the Belgian lawyer who practices in the northern French town of Lille, the sums due him since 15 January 1986.

INTERNAL MARKET: The European Commission appoints one of its own to join the fight against drugs

The Twelve are determined to fight the drug traffickers together.

Until they have a common policy in the fight against the drug trade, the Twelve will be unable to eliminate checks at the Community's internal frontiers completely. This has been clear for some time and it explains why the European Commission has chosen Martin Bangemann, the commissioner responsible for the internal market, to represent it at meetings of the coordination group set up to fight drugs.

This group, made up of representatives of the 12 EC governments, was set up at the initiative of the French President, François Mitterrand, to draw up a European plan to fight the drug trade. It held its first meeting on December 1. Its work programme includes the coordination of the health and social policies of the Twelve with regard to drug addicts; joint action to crack down on dealers and end the laundering of drug money and a coordination of Community policies with those pursued by others. The group will also improve checks at the Community's external frontiers and the surveillance of areas close to its internal frontiers.

UNEMPLOYMENT: Unchanged in October

Still at 9.1% for the Community as a whole.

The unemployment rate in October in the 12-nation European Community stood at 9.1%, as in September, according to Eurostat, the EC's statistical office. The rate in fact has fallen from 9.7% to 9.1% in a year. All Member States have recorded a decline, with the exception of Denmark and Luxembourg.

Male unemployment has declined from 7.8 to 7.1% on a 12-month basis. The sharpest falls were recorded in Spain (from 14.4 to 12%) and Britain (from 8.2 to 6.7%). Female unemployment remained much higher but it, too, has come down - from 12.6 to 12% in a year. The fall has been especially noticeable in Britain, where the rate has come down from 7.2 to 5.4%.

Unemployment among the under-25s remains above average: 17.4% for the EC as a whole but with peaks of over 33% in Italy and Spain.

FOOD: A European label for organic food?

The European Commission proposes harmonized rules to the Twelve.

Consumers who are fed up with "scientific" farming methods are being tempted by organic food, produced and processed using "traditional" methods. But the prices asked often seem excessive, especially as there is no guarantee, at least throughout much of the European Community, that the products in question really are natural and safe. It is precisely in order to allow the sale, throughout the Community, of organic foodstuffs which keep their promise, that the European Commission proposed to the Twelve, in early December, Community legislation aimed at regulating the production, packaging and sale of such foodstuffs.

If adopted, the Commission's proposals would result in a European definition of organic food. At present national rules and control systems exist in some Community countries; but they differ from each other. In other EC countries practically anyone can put "organic" products on the market, without reference to any official standards. However, in the single market organic products will have to conform to the same criteria from John O'Groats to the Greek island of Rhodes, if consumers are to have confidence in them.

The legislation proposed by the Commission includes demanding production rules and strict measures regarding the use of artificial substances. It provides for checks at every stage, from production to sale to the consumer, as well as penalties. Under the projected legislation, no fruit, vegetable or other product from plants could be sold as "organic" unless it met all the conditions laid down and passed checks carried out by recognized bodies.

The Commission has provided for a special verification system, so as to ensure that imports from non-Community countries do not ruin the entire scheme. It takes the view that the proposed legislation will benefit not only consumers and the environment but also farmers, who will be encouraged to produce food with a high profit margin.

CARS: Opening up the single market to the Japanese ...

... provided they meet the Community half way.

What will be the fate of Japanese cars in the single market? This is one of the most difficult issues raised by the completion of the 1992 programme. The European Commission has just proposed how to deal with it. The Commission wants EC governments to eliminate all national restrictions on imports of Japanese cars from 1 January 1993. They will not be replaced by Community quotas but Brussels will ask the Japanese to limit their exports during a transitional period, to be negotiated. The opening up of the EC market to Japanese cars will be linked to the opening up of the Japanese market to European products.

At present four Community countries limit imports of Japanese cars, each in its own way. They are Britain, France, Italy and Spain. As a result, the French authorities, for example, control imports of cars from other EC countries and do not allow residents to travel to, say, Brussels to pick up a Japanese vehicle. All such measures will have to disappear from 1 January 1993. The Commission is very firm on this point.

But it is not planning to open the doors to a flood of Japanese products in a sector which, directly or indirectly, employs some 10mn. people in the EC. For one thing, it does not expect French or Italian motorists, accustomed to buying a "national" product, to switch to Japanese cars in 1993; for another, the Commission intends to negotiate a voluntary export restraint agreement with Tokyo. It would then keep a sharp eye on the European market to make sure the Japanese were sticking to the agreement. As for Japanese cars made or assembled in the Community, they would be the subject of negotiations with the Japanese, and would be regarded either as "Japanese" or "European".

It is now up to the Commission to persuade the Twelve to share its views.