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CONSUMERS: Eurocheques in the dock

The European Commission feels users have had a raw deal, especially in France.

In 1989 some 42mn. Eurocheques were issued abroad, including 27mn. within the European Community, for a total value of ECU 5,000mn.*. Practical, guaranteed, accepted virtually everywhere, Eurocheques have been used in increasingly large numbers since the last 15 years. In 1984 the European Commission even granted Eurocheque International, which had launched the scheme, an exemption from the EC's very strict competition rules. Eurocheque International in fact operates an agreement of a kind which in principle is banned under the Treaty of Rome. But its advantages had justified its exemption from these rules, something which is provided for in the Treaty.

But these advantages are not quite as evident to the European Commission, especially for consumers. After issuing numerous warnings it sent a statement of objections to Eurocheque International, setting out its doubts. The latter was given until November 6 in which to reply. The Commission at the same time hinted that the exemption, which has meanwhile expired, might not be renewed. The Commission in fact has serious doubts about five aspects of the agreement.

The first is the absence of transparency as regards the costs to customers who issue Eurocheques when abroad. A second complaint has to do with the changes made to the conditions of the interbank commission (paid by the issuer's bank to the foreign bank) and in particular to the application of a minimum commission since 1988. The same problem arises for the interbank commission which is applied to cash withdrawals abroad from automatic cash dispensing machines (ATMs).

The third point of concern is that banks invariably charge the maximum rate of interbank commission. The Commission is also objecting to the low sums for which payment is guaranteed (approximately ECU 170) and the low level of the maximum clearing amount (roughly ECU 340). This is a drawback for the consumer, given that Eurocheques drawn for amounts above this are not cleared in the Eurocheque clearing system but processed as an international transfer, usually subject to high commissions.

This last complaint is levied particularly against France, and has to do with the way Eurocheques are accepted in the retail sector in France. The fact is that France is the only country in which banks charge commissions of both the person issuing the

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cheque and the trader cashing it. It explains why the banking group within Eurocheque International which represents French banks was favoured with a separate statement of objections from the Commission on this point.

Customers are not there to be fleeced, whatever the banks may think, especially as credit cards, which are a cheaper way of changing money, are gaining ground and could sound the death knell for cheques. On condition, however, that those who operate this system improve their coordination at the level of Europe and, in particular, guarantee one another mutual access to automatic networks and terminals.

All this, pending the adoption of the best solution - a single currency for all Europe.

* 1 ECU = UK£0.70 or IR£0.77

TOURISM: Italy proposes it be included in the Treaty of Rome

But the procedure is long and complex, even though it has majority support in the Council of Ministers.

Tourism is not explicitly covered by the Treaty of Rome, although it is a major sector of the EC economy, with 5% of GNP and 6% of employment, employing some 7.5mn. people.

Income from tourism rose by 5.9% in 1989 for the 12 EC countries as a whole, rising from ECU 69 billion* the previous year to ECU 73bn. The fact is that the Community's balance of payments for tourism showed a surplus of ECU 2.5bn. last year, as compared to one of ECU 2bn. in 1988. European tourism in fact accounts for 60% of the world market for tourism.

Italy's tourism minister and current president of the Council of Ministers underlined the importance of the sector when he proposed that an explicit reference to tourism be included in the Treaty of Rome, on the occasion of the forthcoming inter-governmental conferences. Mr Carlo Tognoli, who was presiding over an

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informal meeting of the Council in Milan, claimed that "the formal inclusion of tourism in the texts of the Treaty is indispensable for the elaboration of common pluriannual programmes, the provision of adequate financial resources for such programmes and, finally, the accelerated development of regions which are economically the least advanced."

Although there was a large majority in favour of the Italian proposal, the ministers of tourism did not try to conceal the fact that its implementation is likely to be a long and complex process, the road full of pitfalls. Hence the need at this stage for a more pragmatic approach. After examining the two papers prepared by the Italian Presidency, on the one hand and, on the other, the European Commission, in accordance with the Community strategy decided on during the previous meeting of the tourism Council, the Twelve agreed it was time to work for the adoption and implementation of a pluriannual action programme, with its own budget and a legal basis.

As for the policies to be pursued, it would be necessary to envisage in particular a system of global information as regards the supply side of tourism in the Community, together with a common promotional policy aimed at third countries, especially the U.S., Canada and Japan, and inter-European agreements at the level of small and medium-sized enterprises in the tourism sector. Special attention would have to be paid to the possibility of adopting, in the framework of a tourism which respects both the environment and living conditions, ecological initiatives in close liaison with the development of regional tourism.

To this end the Italian presidency will submit to his colleagues, when they meet formally on November 29, a programme for the harmonization of Community statistics on tourism as well as a framework programme of activities to be undertaken.

* 1 ECU = UK£0.70 or IR£0.77

IMMIGRATION: Integrating 8 million immigrants

An experts' report suggests how it could be done.

Some eight million immigrants, from around the world, live in the 12-nation European Community. Two-thirds of them are Muslims. These immigrants, all of whom are nationals of non-EC countries, account for only 2.4% of the Community's total population (excluding the former German Democratic Republic). However, their presence in certain Community countries has engendered tensions and social problems.

Even as they create the 1992 single market, Europe's political leaders are asking themselves what place immigrants shall have in it. The elimination of the Community's internal frontiers should result in the free movement of people. In principle, Member States will no longer be able to send illegal immigrants to a neighbouring State, hoping to have solved "their" problem by this means.

In order to have a better grasp of the problem at the Community level, as a first step towards drawing up a common policy, the Community's heads of state and government ordered two studies. The first, to be carried out by experts at the EC's Council of Ministers, deals with the conditions under which immigrants are allowed into the various Member States. It will be ready by the end of the year. The second study, dealing with the integration of immigrants, was carried out by a group of independent experts on behalf of the European Commission. It was made public at the end of September.

This study, based on 1988 figures, shows that the Turks account for 24.4% of the total immigrant population in the Community, making them the largest single group. The Algerians are a distant second (10.3%), followed by the Moroccans (9.7%) and Yugoslavs (8.6%). Immigrants from the three North African countries of Algeria, Tunisia and Morocco together make up 22.8% of the total, as against only 5.3% for immigrants from the rest of Africa. Immigrants from European countries other than Yugoslavia account for hardly 10% of the total, and those from North America for just 4.6%.

Immigrants from North Africa make up the largest group of employees from non-EC countries working in the Community, with over 46% of the total. As many as 22.6% of them are Moroccans, followed closely by Algerians (22.3%), with Tunisians accounting for a mere 1.2%. Some 13% of these foreign employees are from Turkey, 7.1% from Yugoslavia and 22% from other European countries outside the 12-nation Community.

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But the size of the immigrant population varies from one Member State to another, which largely explains the differing attitudes of the 12 EC governments to the problem. Prior to its unification, Germany had the largest immigrant population; at 5.2% of the country's total population, it was twice the Community average. At the other end of the scale are Spain (0.4%), Ireland (0.5%), Italy (0.6%) and Portugal (0.7%). The percentage of non-EC immigrants is relatively high in France (3.8%), Belgium (3.3%) and the Netherlands (3%). It is below the Community average in Denmark (2.1%), Luxembourg (1.9%), the United Kingdom (1.8%) and Greece (1.1%).

It must be added, however, that these figures do not always show the scale of the problem. The study thus points out that 4.5% of people living in Britain, and who hold a British passport, must be regarded socially as immigrants. Coming as they do from other parts of the world, they are not integrated into society. This problem exists in other EC countries. Luxembourg is another special case. Here only 74.2% of the population has Luxembourg nationality, while 23.9% of it consists of "immigrants" from other EC countries. In all the other Member States, between 91 to 99% of the population are nationals of the country in question.

The authors of the study take the view that immigration from non-EC countries will continue, as families come together, refugees are granted entry and workers are imported to meet the labour needs of specific economic sectors. They believe that the successful integration of immigrants implies a control on further immigration; greater certainty in the matter of residence for immigrants; easier naturalization procedures and equality of opportunity as regards work, education, training and housing. In countries with large Muslim populations a more positive attitude to Islam will be necessary. It is now up to Europe's political leaders to reach an agreement.

ENERGY: Substantial savings during the 1980s ...

... but oil imports still accounted for 36% of consumption.

During the 1980s the European Community's energy consumption rose by only 5%, while industrial production increased by nearly 17% and Gross National Product (GNP) by 21.6%. These figures, published in mid-September by Eurostat, the EC's statistical office, show that energy savings during the last 10 years were substantial.

"But not enough!" will answer all those who have been watching the rise in petrol prices since the Gulf crisis began. The fact is that the 12-nation Community still depends on oil imports for nearly 36% of its energy consumption. This dependence, which had declined following the oil shocks of 1973 and 1979, began to gain ground from 1986, when oil prices in Europe fell to very low levels, under the combined effect of lower oil prices and a much weaker dollar.

In 1985 oil imports represented only 31.6% of Community consumption. In the next few years they accounted for around 33% of consumption, to reach 35.7% in 1989.

Even so, oil's share in total energy consumption fell in both the Community as a whole and all 12 Member States, with the exception of Luxembourg, in the 1980s. It fell from 54% to 44.2% in the Community and even more dramatically in Germany (from 55.8% to 39.3%), France (from 70.9% to 41.2%) and Italy (from 76.7% to 59.6%).

Nuclear energy, meanwhile, has recorded the biggest gains in the last 10 years, despite losing favour with the public after the accident at Chernobyl and Italy's 1987 decision to give up nuclear energy altogether. Between 1980 and 1989 the share of nuclear energy in the Community's total energy consumption rose from 4.2% to 14.5%. The share of natural gas also increased, although more modestly - from 16.5% to 18.5% of consumption. Coal recorded a decline, however, its share falling from 20 to 18%. Finally, hydroelectric power and renewable energy sources, especially solar and wind, have yet to make a break-through: their share actually fell to 1.6% last year from 2% in 1980. Oil is still well ahead of all its rivals!

ENERGY: Revolutionary nuclear power stations for the year 2040

The European Commission proposes a new fusion programme.

Dreams of energy supplies that are certain, locally available, inexhaustible and clean are irresistible whenever there is a petrol crisis. But such dreams could become reality towards the year 2040, thanks to thermonuclear fusion, according to a report submitted by experts to the European Commission in July. The report confirms the soundness of the choices made by the European Community since nearly 15 years. Thermonuclear fusion, which imitates the process by which the sun receives its energy, deserves to have time and money spent on it. The Commission therefore proposed to the Twelve at the end of September to push ahead with a new research programme, with a budget of ECU 458mn.* for the period 1990 to 1994.

For the moment European researchers are engaged in the first phase of the work, which seeks to show that it is possible to produce energy, under laboratory conditions, through the fusion of atoms picked up from almost anywhere, but especially water. This research is being carried out at Culham, near Oxford, with a large, doughnut-shaped machine called a torus.

During the second phase, now under preparation, fusion specialists would build an experimental reactor, preferably in collaboration with the Americans, Japanese and Soviets. This collaboration has already begun at Garching, in Bavaria, in the framework of the international thermonuclear experimental reactor programme (ITER). The Commission nevertheless considers that the 12-nation Community must be ready to go it alone if joint research with the world's major scientific powers proves too difficult.

The third phase, to begin sometime in the future, will see the construction of a full-sized experimental reactor. Then, if all goes well, one could think of building thermonuclear reactors to produce reasonably priced electricity within a few decades. By then much of the oil will have been exhausted.

* 1 ECU = UK£0.70 or IR£0.77

TOURISM: The charms of the countryside

Community action plan in favour of rural tourism.

Since the days of the bucolic poet Theocritus, famous for his "Idylls", poets the world over have sung the praises of the countryside - to the point where they have persuaded large numbers of city folk to visit it, if only to escape the summer's heat. But the competing attractions of seaside and mountains have made people lose sight of the charms of the countryside and turn their backs on meadows and glens.

And yet rural Europe has much to offer the tourist: varied landscapes, authentic folklore, a rich architectural heritage and the possibility of personal encounters with the local inhabitants. Rural tourism is the obvious antidote to mass tourism, for it has much to offer the more demanding tourist.

This explains why the European Commission has adopted an action plan in favour of the countryside and rural tourism, at the initiative of the Commissioner for tourism, Mr Cardoso e Cunha. The plan provides a series of measures aimed at supporting rural tourism and the development of undertakings to market and manage it. These measures, which will be implemented in close association with firms in this sector, will have three broad orientations.

The first is the definition of the "products" of rural tourism. To this end, help will be given with drawing up a European identification and harmonizing information on the totality of its elements. Next, support will be provided for the creation and development of these "products", by facilitating information on and access to Community aid. Cooperation between local actors and various partners will be encouraged, as will the improvement of activities in the field of rural tourism, with the creation, notably, of European networks. Last but not least, there will be help with the promotion of this type of tourism, through its integration in the marketing of tourism in general.

Anyone for an outing in the country?