

# a newssheet for journalists

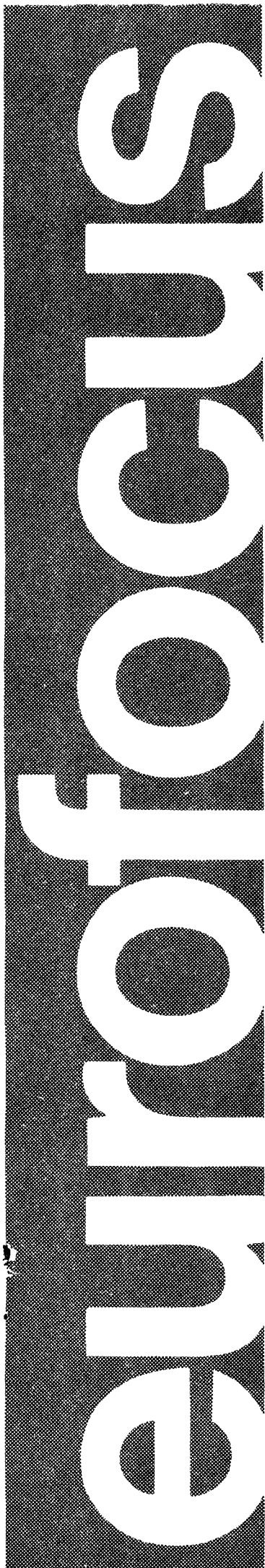
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## S U M M A R Y

- P. 2 ROAD SAFETY: 50,000 deaths each year on Community roads  
The report of the seven wise men entrusted with studying a strategy for road safety.
- P. 5 TAXATION: Coming - "green" taxes on petrol and diesel fuel?  
The European Commission's latest harmonization proposals.
- P. 6 INVESTMENTS: ECU 13.4 billion in "European" loans in 1990  
New money for regions with problems and the environment.
- P. 7 TRADE: Wanted - young managers to train in Japan  
The European Commission launches its 12th training programme.
- P. 8 LIFE ASSURANCE: The home straight before liberalization  
The European Commission proposes the third directive.
- P. 9 INFLATION: A substantial rise in January 0.5% for the 12-nation European Community.
- SOCIAL FUND: Training for more than 140,000 persons ...  
... in four countries, thanks to help from the European Social Fund.

Mailed from: Brussels X



**ROAD SAFETY: 50,000 deaths each year on Community roads**

The report of the seven wise men entrusted with studying a strategy for road safety.

Two million dead and some 40mn. injured: these are not the casualties of some terrible war but the victims of road accidents over the last 35 years in the 12 countries that today make up the European Community. They represent more than 50,000 killed and over 1.5mn. more or less seriously injured each year. The Community's roads are the theatre daily of a veritable massacre, the scale of which could not leave the European Commission indifferent. It is preoccupied in fact by not only the dramatic consequences of such accidents for all the people involved but also their massive economic cost, put at roughly ECU 70bn.\* a year.

If this enormous waste in lives and economic resources cannot be eliminated altogether it can certainly be limited. This is clear from statistics of road accidents. Between 1970 and 1985 the number of road deaths has fallen sharply throughout much of the Community, despite the rise in the numbers of motor vehicles on the road. The exceptions are Spain, Greece and Portugal, precisely because of the spectacular increase in road traffic. The steady rise in the number of holidaymakers has contributed to this, as it has not been accompanied by a corresponding improvement in the network of roads and motorways.

The situation has tended to stabilize since 1985. Even so, it is clear that improvements are possible, so that there is no reason to become fatalist. Thus in Germany (the only country with no motorway speed restrictions) the numbers of those killed have fallen from 19,193 to 8,400 in 1985 and to 7,995 in 1989. In France the fall was from 16,387 to 11,387, with a slight rise to 11,475 in 1989. In Italy road deaths fell from 10,923 to 7,629 and 7,011 over the same period. Countries with a poor record are Spain, where the number of deaths rose from 5,456 in 1970 to 9,333 in 1989; Greece with 1,043 and 1,902 deaths, and Portugal, with 1,842 and 3,067. For the Community as a whole the number of deaths on the road fell from 70,625 in 1970 to 50,907 in 1989. As for the number of deaths each year per million inhabitants, in 1989 the sad record was held by Portugal, with 335 deaths, while countries with a better safety record included the Netherlands (92) and the U.K. (94), as against a Community average of 157 deaths per million inhabitants. But the most

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interesting figures, and which reflect reality better, are those for numbers killed per hundred million vehicle-kilometres. Portugal headed this list also in 1989, with a mortality rate of 10.56, followed by Spain (8.32). The U.K. (1.39) and the Netherlands (1.45) were at the other end of the scale, followed by Germany (1.92). The Community average was 2.72, as compared to 1.53 for Canada, 1.45 for the United States and 2.34 for Japan.

As for those most at risk from road accidents, the situation varies greatly from one country to another. Pedestrians are most at risk in the U.K., where they account for 33.3% of road deaths, and Ireland (30.8%). But they are not much safer on the roads of Portugal (28.1%) and are at risk also in Greece (24.4%). Pedestrians are much safer, however, in Luxembourg (8.8%) and the Netherlands (11.6%). Cyclists run considerable risks in the Netherlands, on the other hand (21%), followed by Denmark (12.5%). They are safest in Greece (1.4%) and Spain (1.8%). Try not to ride your moped in Portugal (27% of road victims); do it rather in the U.K. (1.1%). However, leave your motor cycle in the garage in the U.K. (12.8% of victims) and Greece (11.5%), Germany (11%), and Italy (10.5%). Drivers of private cars and their passengers are most at risk, of course, with a maximum of 83.9% of victims in Luxembourg, as compared to 28.7% in Portugal and 35.7% in Greece.

A high-level group of experts, convened by the EC Transport Commissioner, Karel Van Miert, took a long, close look at these figures. It had been entrusted by Mr Van Miert with the task of drawing up a Community strategy for improving road safety. After meeting several times last year, the seven wise men in question submitted their report to the EC Commissioner in February. It sets a Community target for a 20 to 30% reduction by the year 2000 in the number of deaths and serious injuries in road accidents.

To reach this target the experts propose, to begin with, a coordinated approach by the Member States and the European Commission. They note that the latter's contribution can be vital but must take various forms. The experts give priority to the gradual creation of a European Road Safety and Traffic Space, as well as the introduction of a series of technical measures covering all sectors of road safety (drivers, vehicles and infrastructure). The actual modalities of Community intervention should be completed by the creation of a permanent Community body for road

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safety, entrusted with the task notably of receiving and analyzing available information, advising the Community and its Member States and ensuring the follow-up of changes in the pattern of accidents.

As regards the technical action to be taken, the report pays particular attention to not only public information but also the protection of the occupants of motor vehicles, making it compulsory for them to wear set-belts in every seat of the car, and for cyclists and motor cyclists to wear helmets. As always, alcohol finds itself in the dock, along with road networks, whose improvement is sought by the seven wise men. And it is the same thing as regards motor cars and other vehicles; the report advocates the spread of all options and equipment supporting improved safety. In this connection the experts also call for the replacement, whenever possible, of heavy vehicles by such safer means of transport as railways and waterways.

The report notes that speed is responsible for the gravity of certain accidents, even though the data are somewhat contradictory, especially as regards motorway accidents. In France there have been fewer accidents on motorways since the introduction of speed limits, while in Germany the abolition of speed limits saw a dramatic fall in the number of those killed and injured in accidents. In any case, if these measures are to be effective they will have to be enforced, with appropriate penalties for offenders. What is more, preventive measures will have to be accompanied by better-organized alert and emergency services.

\* 1 ECU = UK£0.70 or IR£0.77

**TAXATION: Coming - "green" taxes on petrol and diesel fuel?**

The European Commission's latest harmonization proposals.

Excise duties on petrol and diesel fuel must become more "European", as required by the single market. But they could also become "green", thus reducing atmospheric pollution, in the European Commission's view. And this viewpoint is reflected in the latest proposal to harmonize excise duties on petrol and diesel fuel, which it presented in mid-February to the Member States.

Since the EC started down the road to the single market, fuel taxes have presented a problem. The fact is that excise duties vary a great deal from one Community country to another: in the ratio of 1 to 2 in the case of petrol and 1 to 5 in the case of diesel fuel. Both the Commission and Member States have always taken the view that differences on this scale make the single market inconceivable.

But the harmonization of excise duties cannot be taken for granted, as it requires a unanimous decision of the Twelve. The Commission's 1989 proposal to approximate these rates failed to secure approval. The environment impact of the level at which excise duties are levied only complicates matters. High excise duties can lead to reduced consumption, and therefore less pollution. Moreover, if unleaded petrol is taxed at a lower rate, motorists will be encouraged to buy "clean" cars, as is already happening in several EC countries. Diesel fuel poses a special problem, as it is widely used in road transport.

In an attempt to secure unanimity the European Commission has proposed, as in 1989, a minimum excise duty of ECU 287\* per 1,000 litres (220 gallons) for unleaded petrol and ECU 337 per 1,000 litres for the ordinary variety. These rates would come into force from 1 January 1993. But the Commission is also proposing optional rates, which are much higher: ECU 445 per 1,000 litres for unleaded petrol and ECU 495 per 1,000 litres for leaded petrol. As for diesel fuel, the Commission is proposing a band, with a lower limit of ECU 245 and an upper limit of ECU 270 per 1,000 litres. This is well above the rates envisaged in 1989, which ranged from ECU 195 and ECU 205 per 1,000 litres.

The Twelve must reach a decision in principle before end June for diesel fuel and before the end of the year for petrol.

\* 1 ECU = UK£0.70 or IR£0.77

**INVESTMENTS: ECU 13.4 billion in "European" loans in 1990**

New money for regions with problems and the environment.

In 1990 loans from the European Investment Bank (EIB) reached a record level and amounted to ECU 13,4 Billion\*, an increase of 9.4% over the previous year. The EIB, the European Community's arm for long-term development finance, thus contributed financially to regions in difficulty and to environmental protection in collaboration with the authorities. What is more, it also helped companies located in the EC prepare for 1992.

Most of the loans (ECU 12.7 billion) were granted for projects within the Community. Regions in difficulty - either because they are lagging behind economically or are facing industrial decline - are being given priority, more than ever before. These regions received a total of ECU 7.4 billion last year, as compared to ECU 7 billion in 1989. Nearly 90% of this amount went to the most disadvantaged regions.

More than ECU 3 billion (as compared to ECU 2.7 billion in 1989) was spent on transport and telecommunications equipment, designed to facilitate the operation of the 1992 single market. The projects backed by EIB funds ranged from high-speed trains and the Channel Tunnel to better air traffic control, and included improvements to road and motorway networks.

For several years now environmental protection has absorbed an important share of EIB lending: ECU 2.2 billion last year in fact, as compared to ECU 1.7 billion in 1989. The lion's share of last year's loans were granted to projects for the treatment of waste, including sewage, and better drinking water. ECU 468 million were devoted to the fight against air pollution; the money helped finance equipment for cleaning up emissions from thermal power stations, refineries and factories. Other "green" loans helped improve the urban environment and protect the EC's natural and cultural heritage.

The EIB does more than back "green" projects: it also looks at the environmental impact of projects it is called on to finance, proposing solutions that are both ecological and economic.

EIB loans have also boosted investments in small and medium-sized enterprises (SMEs). Last year more than 7,400 SMEs received a total of ECU 2 billion.

\* 1 ECU = UK£0.70 or IR£0.77

**TRADE: Wanted - young managers to train in Japan**

The European Commission launches its 12th training programme.

What are you doing between May 1992 and November 1993? Here is a question which should interest European managers, who are in their early thirties and working for an export-oriented company located in the European Community. The fact is these young managers have the possibility of spending the 18 months in question in Japan, once they have been chosen by the European Commission to take part in its 12th executive training programme. The Commission announced in mid-February that it was now receiving applications from prospective trainees.

The programme includes a year's intensive course in the Japanese language, together with lectures and visits to Japanese companies. It is followed by six months' training in a Japanese company. The formula, introduced in 1979, aims to familiarize European managers with the Japanese business world. Some 350 young managers have already taken advantage of it.

The European Commission meets the basic costs, including tuition fees and installation and resettlement expenses. It also pays a monthly allowance towards living costs. The companies which sponsor managers must pay their air fares and contribute to their living costs, which are high in Tokyo.

Candidates must be nationals of a European Community country and have a minimum of two years' business experience. As for the European company which employs them, it must undertake to continue to employ the participant both during the training course and afterwards, either in Japan or in Europe, but in that case in an activity involving exporting to Japan. Applications from small and medium-sized companies are particularly welcome.

Applications must be received by the PA Consulting group by 1 July 1991 at the latest. They can be sent to the following addresses:

Mr. A. Dickson  
PA Consulting Group  
123 Buckingham Palace Road  
London SW1W 9SR  
Tel. 44-71 7309000  
Fax: 44-71 3335050

Mr. R. Cunningham  
PA Consulting Group  
Ulster Bank House  
Shaftesbury Square  
Belfast BT2 7DL  
Tel. 44-232 327467  
Fax: 44-232 242292

**LIFE ASSURANCE: The home straight before liberalization**

The European Commission proposes the third directive.

From 1993 life assurance companies will be free to offer their services throughout the 12-nation European Community, thanks to a "European passport" - the license granted to them, according to agreed rules, in their own country. The rapidly growing life assurance sector is still divided into 12 national markets, each governed by its own set of rules. "Once the new directive is adopted, the single European market in financial services will become a reality", according to Sir Leon Brittan, the European Commission Vice-President who is responsible for financial services. The Commission's proposal completes the legislation needed to create a genuine common market in the insurance sector as a whole, and it will give consumers access to a much wider range of products than they currently enjoy. With this proposal, the Commission in fact has tabled all the main legislation needed in banking, investment services and insurance to ensure that consumers have the fullest choice in financial services, combined with a high level of consumer protection.

The first life directive of 1979 laid down some basic rules for Community companies. And while it allowed them to set up shop in one another's market, it retained entirely national systems of control. The second directive - of 1990 - allowed individuals to seek insurance from companies established in other Member States, and permitted the life companies to sell group insurance, such as supplementary pension schemes, across national frontiers. The third directive will allow companies to operate freely throughout the Community, even while following a set of prudential and consumer protection rules common to all. Companies will also be free to place their resources anywhere in the Community.

As for the consumer, he will be protected in a number of ways. To begin with, through the protection of policy-holders under the law of their country of residence - or their country of nationality. But a host country will have the possibility to take immediate measures against a branch whose parent is in another Member State, in cases where an urgent problem arises as a result of the flouting of the rules. Policy-holders will also be provided detailed information, before completing the contract, on its precise terms and conditions, and on the company offering the policy. They will also be allowed a period of 14 to 30 days after signature to change their mind. Member States will also have the right to prohibit the marketing within their territory of policies which are against the general interest as it has been defined by the EC Court of Justice. Finally, all policy holders will be guaranteed equality of treatment in case of liquidation, regardless of nationality or country of residence.



**INFLATION: A substantial rise in January**  
0.5% for the 12-nation European Community.

After remaining relatively stable during the closing months of 1990, prices rose in January in the 12-nation European Community. The rise amounted to 0.5% for the EC as a whole, according to Eurostat, the Community's statistical office.

The biggest rise in January was recorded in Spain (+1.2%), mainly because of increases for housing, medical care and transport. Other Community countries also witnessed relatively large price increases: Portugal (up by 1%), Belgium (+0.8%), Italy (+0.7%) and Germany (West, +0.6%). Increases were more modest in France and Luxembourg (0.4%), as well as Britain (0.2%). The consumer price index was steady in the Netherlands and Denmark and even declined by 0.2% in Greece, thanks partly to the seasonal effects of the winter sales.

During the six months from July 1990 to January 1991, prices rose by 2.8% in the Community as a whole; this was a little above the 2.6% recorded for the same period but a year before. The inflation rate over the last 12 months stood at 5.6% in the 12-nation EC. This was slightly below the rate for the United States (5.7%) and a little above the Japanese inflation rate (4.5%).

**SOCIAL FUND: Training for more than 140,000 persons ...**

... in four countries, thanks to help from the European Social Fund.

More than 140,000 individuals in four EC countries - Ireland, France, Spain and Italy - will be able to train or retrain, thanks to a series of grants from the European Social Fund, which the European Commission approved at the beginning of February. These grants, totalling ECU 416mn.\* are similar to those extended to seven EC countries and announced at the end of January, beginning of February (see Eurofocus N° 6/91).

Italy will receive more than ECU 186mn., of which some ECU 154mn. will be devoted to a vast training programme in the south in such fields as transport, telecommunications, environment, research and small and medium-sized businesses. Ireland is to get ECU 159mn., for a programme designed to enable 41,000 young people to find employment. ECU 62mn. has been earmarked for Spain, and will be used in the main for the training of the under-25s. France, finally, has been allocated ECU 7mn., to be used to retrain some 17,000 persons in Picardy.

\* 1 ECU = UK£0.70 or IR£0.77