



a newssheet for journalists

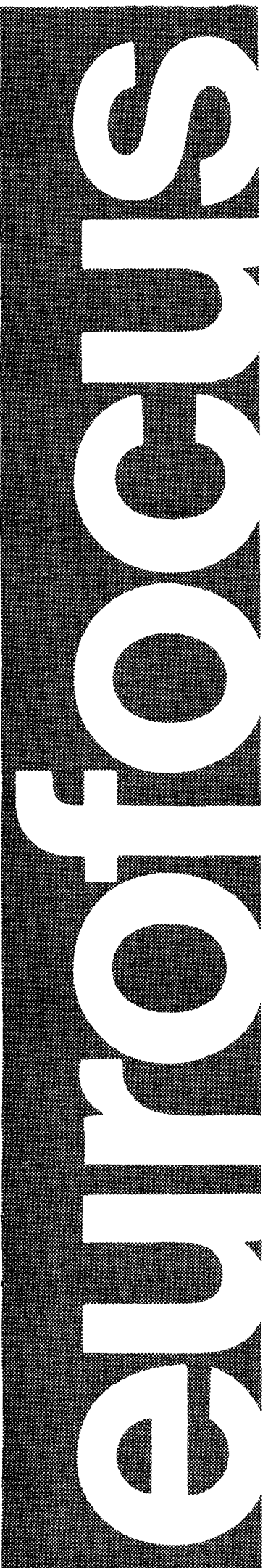
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Mailed from: Brussels X



CONSUMERS: They are the law in nine EC countries since April 1

The European convention on contracts has come into force.

If an Italian housewife orders bedsheets from a French mail order company, receives tablecloths instead and a court case follows, the matter will be dealt with under Italian law. But if a Dutchman, living a stone's throw from Belgium, calls in a Belgian mechanic to repair his washing machine and is handed a large bill, even though the machine is still out of order, the subsequent proceedings will be under Dutch law. Since April 1 the law of the country in which the consumer is resident takes precedence over the law of the country in which the seller, or supplier of services, is located - provided both of them are settled in countries having signed the Rome Convention, which came into effect on that date.

The Convention came into force after Britain had put its signature to it at the end of March. The other signatory countries are Denmark, the three Benelux countries, France, Germany, Ireland and Italy. In all, nine European Community countries must conform to this Convention, concluded in 1980. The three others have been invited to sign it by the European Commissioner for consumer protection, Karel Van Miert.

The fact that disputes are dealt with under the laws of their country of residence makes it much easier for most consumers - both to find out just what the law is and to take the necessary steps, such as consulting a lawyer. However, until the Rome convention came into force the law that applied was generally that of the country in which the seller was resident. This solution, which hardly favours the consumer, is now the exception. Under the Rome Convention it will be used only if it is explicitly stipulated in a written contract.

This Convention will obviously gain in importance in the daily lives of Europeans with the completion of the single market, set for 1 January 1993.

AIR TRAVEL: Passengers will be compensated in case of over-booking

Overbooking, the nightmare of those travelling by air, cannot perhaps be totally eliminated. But its victims will hereafter have the right to compensation at least. The airlines have always maintained that the practice of overbooking, although perhaps not very correct, is necessary because almost always there are some passengers who fail to show up. Without overbooking, airlines would lose money. But this means that passengers with confirmed reservations can find themselves denied access to the aircraft, especially during the holidays, because nobody has chosen to stay away.

The rights of victims of overbooking are clearly defined under the regulation now in force throughout the European Community. It covers all flights leaving an EC airport. Regardless of its nationality, the airline will have to set and publish the rules it follows in the event of overbooking. The provisions stipulate notably that, in addition to being found a seat on another flight the "overbooked" passenger will have the right to a minimum compensation in cash or travel coupons, depending on the distance and the time lost while waiting for another flight.

For example, if the time lost does not exceed two hours for a flight of less than 3,500 km., the passenger has the right to a minimum compensation of ECU 75*, rising to ECU 150 for longer periods. For flights of more than 3,500 km. the minimum compensation has been set at ECU 150, when the time lost is less than four hours, and at ECU 300 for longer periods.

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Nor is this all. Airlines must not only book passengers on the next available flight but also provide them board and lodging and allow them to get in touch with those awaiting them at their destination. What is more, in the event of overbooking airlines cannot decide by themselves who shall be accommodated on the overbooked flight: the Community regulation stipulates who shall have priority. They include the handicapped and unaccompanied children. Airlines can also publicly ask for volunteers for a later flight. In any case, passengers left behind will be able to seek damages through the courts.

It is to be hoped that the new regulation will discourage the practice of overbooking.

* 1 ECU = UK£0.69 or IR£0.77

UNLEADED PETROL: Demand for it is growing in the EC

But there are sharp differences between the Member States.

In 1990 the share of unleaded petrol in total petrol consumption in the 12-nation European Community rose to 32% - from a mere 7.7% in 1987. However, consumption of this "green" petrol has not risen equally sharply in all EC countries. While it accounts for 68% of the German market, 56% of the Danish market and 42% of the Dutch market, its share of the Spanish, Portuguese and Greek markets remains marginal, at around 1%. The situation can change very rapidly, however. The sale of unleaded petrol at an attractive price, combined with the disappearance from the market of poor quality petrols, can generally result in a sharp rise in consumption.

MEDICINES: The sales monopoly enjoyed by chemists is not "anti-European" ...

... it is up to the national authorities to choose.

Every European Community country has the right to grant "its" chemists a monopoly on the sale of medicines. This, in substance, is what the European Community Court of Justice has affirmed, by refusing to condemn France's distribution system for medicines. Svensson is a mail-order firm which imports and sells in France different products made in Belgium, where they are freely sold as cosmetics or foodstuffs. Proceedings have been started in France against the firm's manager, Mr. Delattre, following a complaint lodged by the national council of the order of pharmacists. The order claims that the products marketed by Svensson are medicines and, as such, can only be sold to the public through the chemists.

As for Mr. Delattre, he has argued that the products in question must not be regarded as medicines.

Faced with these contradictory views, the high court in Nice (France), asked to rule on the matter, seized the European Community Court of Justice over the terms "illness" and "medicine", as they are used in the European Community's directives. Must these terms be used in a uniform manner, according to a Community definition, or, on the contrary, can each Member State provide its own definition? In the latter case, can a Member State freely block the sale of a product, by giving chemists a monopoly on its sale, on the grounds that the product in question is considered a medicine?

In a ruling it handed down on March 27, the Court held that the European directive gives no definition of the term "illness". It does, however, define "medicine", in order to distinguish it from a "cosmetic product", for example. But in order to decide whether a specific product must be described as a medicine or as foodstuff, its properties must be examined. Now, according to the Court, it is up to the national authorities to have the analyses carried out and to draw the necessary conclusions, including the way in which the product in question shall be sold.

A product can then be regarded as a medicine in one Member State and a foodstuff in another. It is up to the national authorities to decide which is which.

SOCIETY: The European Parliament condemns gynaecological tests at the border ...

... and asks the German authorities to put an end to them.

At Germany's border with the Netherlands, the German border police carry out checks of a very special kind. They are looking for neither arms nor drugs - but for German women who may have undergone an abortion in the Netherlands. The fact is that it is not easy to have an abortion in Germany: it is authorized during the first 12 weeks of pregnancy and remains subject to prior medical agreement, something not easy to obtain in the country's southern "Länder" (states). Dutch legislation being much more liberal, the country tends to attract German women seeking an abortion - some of whom have been obliged by the police to undergo a medical examination as soon as they had set foot on German soil again.

In a resolution which it adopted on March 14 the European Parliament condemned "the humiliating practices of the German border police" and called on the German authorities to put an end to them. While recognizing that it is the Member States, and not the Community as such, who have competence in matters of abortion, the Euro-MPs took the view that the Community's internal borders cannot be used "to threaten citizens with legal proceedings for acts which are perfectly legal in some Member States but not in others." And this especially at a time when the free movement of persons within the Community is very high on the agenda, given that the single market is less than two years away.

INFLATION: Moderate rise in February

0.4% for the Community as a whole ... and 5.5% on an annual basis.

Prices rose by a moderate 0.4% in February in the 12-nation European Community, as compared to a rise of 0.5% the previous month, according to Eurostat, the EC's statistical office. The highest rises were recorded in Portugal (1.8%) and Italy (0.9%), the lowest in the Netherlands and Greece (0.1%). Prices even fell in Spain by 0.1%.

Prices rose by 5.5% in the EC in the 12 months to February; this was slightly above the increase the year before (5.3%), and above the inflation rates for the United States (5.3%) and Japan (3.9%). Inflation rates varied substantially from one EC country to another, ranging from a low of 2.6% in Denmark, Ireland and the Netherlands to a hefty 21.8% in Greece.

ENVIRONMENT: So that "ecology" and "single market" may go hand in hand ...

... The European Commission envisages a new system of "green" standards.

For Carlo Ripa di Meana, the European Environment Commissioner, there is a danger of a multi-speed European Community, with each Member State setting its own standards of environmental protection. He warned against the danger at the end of March, when presenting a system invented by the Commission to make sure that "ecology" and the "single market" go hand in hand.

In recent times several EC governments have encouraged their citizens, often by means of fiscal incentives, to observe pollution standards other than Community ones, either because such standards don't exist or are felt to be inadequate. The Community itself has had to follow American standards several times when drawing up its own.

To prevent a recurrence of this situation, the European Commission favours the adoption of "green" standards in two stages. During the first stage the Commission would get the EC Council of Ministers to authorize it to set, for all sectors of the economy, strict compulsory standards of environmental protection, to be applied as quickly as possible by all Member States. In the second stage the Council would adopt standards which would come into force three or four years after the first, and would be far more demanding, because they would take into account the latest technological advances. Under this system the national authorities could offer fiscal incentives to encourage the advance implementation of Community standards.

TOURISM: Community action plans

The European Commission proposes strengthening Community and national policies as well as providing support for specific actions.

Tourism plays an important role in the economies of EC countries and has a large potential for job creation. This is why the European Commission, in response to the wishes of the European Parliament, the Council of Ministers, the Economic and Social Committee and, of course, the tourist industry itself, has just proposed a Community action plan in favour of tourism. The actions envisaged will complement those already undertaken in the framework of Community and national policies and specific programmes. They will also take into account the results of the European Year of Tourism.

The Plan will have two major objectives. It will seek to strengthen Community and national policies and to support specific, medium-term measures designed to diversify tourist activities, develop transborder activities and improve the promotion of European tourism on world markets.

These objectives will be reached essentially through a better knowledge of tourism. This will involve developing Community statistics on tourism and concluding in-depth studies, together with closer coordination of Community and national policies; consultations with those working in the tourist industry; fresh efforts to stagger vacations and better protection for the consumer as tourist.

The specific actions will be based on several themes, such as cultural tourism, with support for the preparation of new European cultural tours as well as the creation of a European prize for the best products of cultural tourism. Another theme proposed by the Commission is tourism and the environment, with the preparation of a code of good conduct aimed at tourists and of a guide for those in the industry, with backing for exchanges of experiences on site management.

As for rural tourism, support will be given for the preparation of harmonized European information, as well as pilot schemes aimed at stimulating and promoting new tourist products in rural areas. The benefits of the system of "Eurocheque-Holidays" would be extended to social tourism and tourism for young people. For the handicapped there would be a European guide listing places accessible to them. The Commission's action plan also provides for cooperation between universities and schools of tourism, with a view to providing better vocational training.

The task envisaged by the Commission is an important one. But it is fully justified, bearing in mind that tourism accounts for more than 5% of the European Community's Gross Domestic Product (GDP) and provides employment for nearly 8mn. people, representing 6% of all jobs.

FIGHT AGAINST FRAUD: Considerable progress in 1990 ...
... but there is still some ways to go.

No one yet knows how much money the European Community loses each year through fraud. But the fight against it has intensified. Last year was the second year of the European Commission's anti-fraud programme, adopted in 1989; and it was marked by the launch of virtually all the remaining actions provided for under the programme, given that most of the 45 measures it envisages had been taken in 1989. These measures were actively pursued last year, as was underlined in the report of the European Commission on the fight against fraud in 1990, published on March 25.

The Commission's programme has three broad areas of action: prevention, cooperation between national and Community authorities and, finally, suppression. Prevention consists essentially of going through all European regulations which give rise to subsidies with a fine tooth comb, in order to simplify them, thus making sure they cannot be used fraudulently. What is more, the Commission now makes sure that its new regulations, especially those dealing with agriculture, are so drafted that they do not lead themselves to fraud.

Cooperation between the European Commission and the national administrations of the 12 Member States is essential, given that only the latter have the means to track down fraud in the field, as it were. In 1990 the Twelve notified the Commission of 790 cases of irregularities in the agricultural field, for a total of ECU 137mn.*. To make it easier to detect fraud in the social and regional aid sector the Commission last year introduced a "code of conduct" to help national administrations.

As for the suppression of fraud, it was facilitated last year because controls had been strengthened in a variety of ways, including recourse to specialized firms to check the books of the enterprises involved; the use of satellites to detect certain agricultural frauds and the dispatch of investigative missions to non-EC countries - there were 12 such missions last year, as compared to only three in 1989.

There was a sharp increase last year in the sums provided from the Community budget to fight against fraud. What is more, the use of new methods of computerized communication made it easier to detect fraud. The fight continues in 1991, as is clear from the measures adopted by the Twelve at the beginning of March (see Eurofocus 11/91).

* 1 ECU = UK£0.69 or IR£0.77