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TOURISM: 137m. tourists in the 12 Community countries in 1986

An international conference in Brussels looks at prospects in the context of the single market.

Tourism is on the way to becoming the leading industry in the European Community: it currently accounts for 5.5% of the Community's Gross Domestic Product (GDP). It is already big business, with 137m. tourists; 7.4m. full-time jobs (equal to 6% of total employment) plus another 3m. jobs indirectly related to tourism, and expenditure amounting to about 8% of final private consumption in the Community.

The very important role which tourism plays in the balance of payments of the Community countries cannot be overlooked. It accounts for 4% of total foreign exchange exports on average and 5% of total imports, with peaks for the latter ranging from up to 20% in Spain and over 15% in Greece.

What is more, tourism is a rapidly growing sector in the economy. Between 1972 and 1985 the increase in receipts and expenditure on international tourism was greater than growth of GDP and private consumption in nearly every member state - despite the energy crises and subsequent recession, to which tourism is particularly vulnerable.

This is the weak point, in fact, of an industry which has the wind in its sails, as the European Commissioner for tourism, Carlo Ripa di Meana, stressed when opening the international conference on tourism, "Horizon 1992". Held in Brussels on November 23 and 24, it brought together more than 200 participants, representing the World Tourism Organization, the European Commission and Parliament and EEC Group of Tourist Offices as well as the hotel industry and related bodies, travel agents, tourist guides, etc.

Referring to the fall in the number of American tourists in 1986, as a result not only of terrorist attacks and the accident at Chernobyl but also the slowdown in economic growth and the sharp fall in the value of the U.S. dollar, Mr Ripa di Meana insisted that the Community's tourist industry cannot rest on its laurels. It is threatened by such developments as the emergence of competing areas of tourism, in the Pacific basin, for example, and the overcrowding resulting from mass tourism.

It was therefore urgent, in the Commissioner's view, to adapt to changing conditions and conquer new markets by opening up new geographical areas, extending the tourist seasons and looking to the new forms of tourism, such as rural, social, cultural, senior citizens and sports tourism.

Thanks to the freedom of movement of persons, of establishment, and to provide services, the European Community is already in a very privileged position for international tourism. The prospect of a single market for 1992 implies the disappearance of all physical checks at the Community's internal frontiers. Given that only 20% of Europeans currently take vacation in another country than their own, it is clear that the tourist industry has a bright future in the European Community - provided the opportunity is not lost.

Commissioner Ripa di Meana listed three priorities for the industry: a better distribution of tourists in both time and space; a major promotional effort in not only the major foreign markets but also within the Community and, finally, precise, in-depth knowledge of the nature and potentialities of the sector.

Mr Ripa di Meana declared his readiness to raise the subject in the EC Council of Ministers next year - i.e. once all the necessary information was to hand.

The Brussels conference marks a fundamental stage in a process which should allow Community tourism to endow itself with the infrastructure needed to continue to expand and remain competitive on the world market.

EDUCATION: ERASMUS scholarships for 8,000 students in 1988/89

Universities have until end January in which to apply.

ERASMUS, the European Community's programme for inter-university exchanges, is just getting under way (see Eurofocus No 36/87). But universities wanting to take part in it from the 1988/89 academic year must apply right away, as the closing date for applications is 31 January 1988.

The Community is putting up ECU 30m.* for the 1988/89 academic year; this is three times more than in the current year. The European Commission expects some 8,000 students, 2,000 university teachers and administrative staff and 800 higher educational institutions to take advantage of this Community scheme for student and staff exchanges in the coming academic year.

Universities can obtain the necessary information by writing to the Commission of the European Community, Directorate-General for Employment, Social Affairs and Education, ERASMUS Programme, 1 rue Archimède, B-1040 Brussels, Belgium.

* 1 ECU = UK£ 0.69 or IR£ 0.78.

OIL: More Norwegian and Soviet crude, less from OPEC

EC imports during the first six months of 1987.

Imports into the 12-nation European Community of energy in general and crude oil in particular fell off during the first six months of this year, as compared to the corresponding period in 1986. But if the Community reduced its imports considerably from the Middle East and other OPEC+ countries, it stepped up its imports from Norway and the Soviet Union very sharply.

EC energy consumption was down slightly during the first six months of this year, according to Eurostat, the Community's statistical office. Net energy imports (imports less exports) declined by 1.7%. Imports of crude oil fell by 4.1% and of other petroleum products by 6.3%.

Oil imports from the OPEC countries as a group fell by 19.5%, while their share in the Community's total imports declined to only 61.9%, as against 72.6% during the first six months of 1986. There was a sharp fall in imports from Saudi Arabia, Irak, Libya and Nigeria, while imports from Iran, and especially Norway and the Soviet Union, increased.

+ Organization of Petroleum Exporting Countries.

HEALTH: The fight against AIDS and cancer gets priority

The fourth Community research programme in medicine and health (1987-1991) is approved by the Twelve.

Some 3,000 national teams and 70 different research activities will make up the fourth Community R & D programme in medicine and health, adopted a fortnight ago by the European Community Council of Ministers. As a result, around 25% of the research carried out in member states in these fields will be coordinated to some extent through this programme, which covers the 5-year period from 1987 to 1991. The first Community medical research programme, launched in 1978, brought together only 100 national teams in three research activities.

The programme's indicative budget has been fixed at ECU 65m.*, nearly half of which is being earmarked for the fight against cancer (ECU 18m.) and AIDS (ECU 14m.). This relatively modest investment will make it possible to coordinate better the research being undertaken by national bodies and avoid waste by eliminating a duplication of effort.

But such coordination offers other advantages also. Research is likely to be more effective, given that a much larger number of patients can be studied than at the purely national level. This must add to the reliability of the results and ensure their rapid dissemination, with favourable effects on the treatment of patients.

AIDS now represents a real challenge to the Community. The number of registered cases stood at 7,762 at the end of September 1987 and it continues to double every nine months. Solutions to the problems are apparently becoming more difficult as time passes, despite the continuing progress in scientific knowledge of the disease.

Research in this area, and especially into the working of the human immune defense mechanism, is of equal importance for the treatment of AIDS and cancer as well as for organ transplants and areas of medical care. The research covered by the new programme will include trials of new vaccines and antiviral drugs.

In the case of cancer, the programme will allow the work done in the Community to be coordinated on a broad front: research training, clinical treatment research, early detection and diagnosis, drug development and fundamental research.

In addition to the fight against these two 20th century scourges, the programme of Community R & D also covers research into problems related to age, the environment and life-styles, as well as the development of medical technologies and research into health services.

The Community programme is open to other European countries, and several have already expressed an interest in joining it. Discussions will take place in December with Swedish and Swiss representatives. These countries will join in all or part of the programme, meeting their own costs.

* 1 ECU = UK£ 0.69 or IR£ 0.78.

COMPETITION: The control of one company by another can be incompatible with the EEC Treaty

An important judgement of the Court of Justice in Luxembourg on competition policy.

A company which acquires control of a competitor, or simply an influence over its business activities, can be in violation of the provisions of the Treaty of Rome regarding competition. In a judgement passed on 17 November 1987, the EC Court of Justice in Luxembourg upheld a European Commission decision concerning arrangements involving two large tobacco multinationals, Philip-Morris Inc. and the Rembrandt Group.

The judgement is particularly important for the development of the Community's competition policy, because the Court ruled that Article 85 of the EEC Treaty is applicable to agreements whereby a company acquires control of a competitor by buying shares or making arrangements for cooperation between them. In the Court's view such operations can lead to abuses of a dominant position, in violation of Article 86 of the same Treaty.

The European Commissioner for competition policy, Peter Sutherland, welcomed the Court's judgement and stressed the need for a strong and effective competition policy for the completion of the single market. "The judgement is a significant step in this direction", he noted.

The Commissioner saw in it "the unambiguous confirmation by the Court that Articles 85 and 86 apply to transactions relating to changes in corporation ownership". The judgement would help the Commission develop a merger policy based on sound legal principles and market analysis, one that would be in the interests of consumers as well as industry.

It remains to establish the procedures and criteria needed for the control of anti-competitive mergers, on the one hand and, on the other, the authorization of those which enhance the competitive process. Hence the Commission's request to the EC Council of Ministers to accept the principle of Community legislation in this field.

RESEARCH: Coming shortly, artificial intelligence with a European turn of mind

The first research projects in the BRAIN series are launched.

The European Community is taking the development of artificial intelligence seriously. The European Commission has just chosen the first six research projects in a series known as BRAIN, the acronym for Basic Research in Adaptive Intelligence and Neurocomputing. They have been allocated ECU 990,000* from the Community budget.

In developing new technologies man often looks to nature for inspiration. The first airplanes tried to imitate the flight of birds. In their attempts to develop artificial intelligence scientists have taken the human brain as their model.

European scientists working on BRAIN projects will try to understand better how the brain works in order to be able to design machines capable of active reasoning and learning from experience. These neurocomputers will be built using an "architecture" which simulates the human nervous system.

The experts advising the European Commission expect artificial intelligence to develop rapidly at the global level in the coming years, and commercial opportunities to multiply thereafter. The BRAIN programme therefore seeks to give Europeans a leading role in this new technological race.

Like most of the European Community's research programmes, BRAIN will simultaneously involve industrial firms, research institutes and universities. Each project will bring together the establishments of at least two member states. Some 28 research centres and nearly 100 scientists and researchers will be involved in the six projects that have been chosen.

One of the projects, to be carried out by six research institutes in Grenoble (France) and the universities of Stirling (U.K.) and Dortmund (Germany), involves the design and construction of a neurocomputing machine with learning abilities. Another, in which the Ecole Normale Supérieure in Paris is taking part, together with the Dutch multinational Philips, will attempt to demonstrate the superiority of neurocomputers in carrying out data-processing involving images.

Participants in some of the other projects include Cambridge University and Germany's Max Planck Institute.

* 1 ECU = UK£ 0.69 or IR£ 0.78

EMPLOYMENT: Small businesses and the new technologies in the lead

The European action programme a year later.

Nearly a year after the Twelve approved a Community-wide job creation programme, it is clear from a report published by the European Commission that it is small and medium-sized businesses and training in new technologies which have profited most from its concrete measures. The Commission in fact has stressed in its report that it is proposing specific measures to deal with long-term unemployment.

On 22 December 1986 the European Community's employment ministers approved an action programme for growth in employment. It contained some 40 measures to be taken either by the Community itself or individual member states. But the ministers made no financial provisions for the programme's implementation, on the grounds that the existing resources would be adequate.

The Community's small and medium-sized firms have been at the centre of much of the activity under the programme. Both the European Commission and the member states take the view that these firms and the cooperatives are more likely to create jobs than the big companies and public services, provided they get proper backing.

During recent months the first European business information centres have opened their doors. By the end of the year there should be 39 of them, forming a network covering all 12 EC countries. The Commission is also putting the finishing touches to a business cooperation network, the BC-Net. What is more, it is now using a special procedure to make sure that all its proposals do, in fact, favour the creation and development of small businesses.

The Community has also progressed in training in the new technologies. The European programme of exchanges between universities and businesses, COMETT, was started in the course of the year while another, Eurotechnet, allows the Twelve to try out, from this year, new techniques which seek to adapt training programmes in such fields as computers and robotics.

The European Commission has proposed various job creation measures in addition to those described above. Substantial aid is being provided to fight long-term unemployment. The Commission is also trying to improve the working of the labour market, by encouraging new types of jobs and equality of opportunity, regardless of sex and nationality.

Finally, the dialogue between employers and trade unions continued to progress at the Community level in 1987.

FAMINE: ECU 10m. in emergency aid for Africa

The European Commission decides to organise an airlift.

Following the devastating attack on a convoy of trucks carrying foodgrains to northern Ethiopia, the European Commission has decided to airlift its food aid to people living in the regions torn by civil war. It is providing ECU 10m.* in emergency aid to finance not only the airlift but also repairs to several dozen trucks and the purchase of equipment to shelter and look after refugees, as the Development Commissioner, Lorenzo Natali, told the press in Brussels on November 19.

Famine threatens Ethiopians once again. The year has been marked by drought and very poor crops. If to this is added a considerable population increase, it is easy to see why international experts believe the situation this year could be as bad as it was in the years 1984 and 1985.

Some 6.5m. Ethiopians appear to be threatened by famine, according to the Commission's estimates. But the situation seems the most dramatic in the country's northern regions of Tigray and Eritrea. Here nearly 3.6m. people risk starving to death out of a total population of 5m., for the problem of food shortages has been aggravated by the civil war that has been going on for several years. In the last few weeks it has become impossible to deliver food supplies by road.

Hence the European Commission's decision to airlift supplies, taken immediately after it had received a report on November 16 from European officials who had visited the strife-torn regions. It expects to transport between 17,000 to 20,000t. of foodgrains a month during two months.

The Commission had already decided this spring to provide 64,000t. of foodgrains and 2,800t. of other food products to the Ethiopians. Since October it has increased the quantities by 90,000t. in the first case and over 7,000t. in the second.

The European Community will be providing, therefore, one-third of the food aid, as regards cereals, which the international Community is giving Ethiopia in 1988. While insisting that he could not approve the conditions in which the Ethiopian government had organised population transfers, Mr Natali noted that further aid shipments, in the form of tents, blankets and medicines for the refugees, were envisaged by the Commission.

* 1 ECU = UK£ 0.69 or IR£ 0.78