



# a newssheet for journalists

Weekly n° 40/88

5 - 12 December 1988

## S U M M A R Y

P. 2 ENVIRONMENT: A green light for the small "clean" car  
The Twelve agree on exhaust emission standards for smaller cars.

P. 3 SOCIETY: 44mn. poor, many of them elderly  
The European Commission reports on the fight against poverty in the EC.

P. 4 ENVIRONMENT: Turning waters from red to blue again  
The Twelve reach agreement on a draft Community regulation.

ENVIRONMENT: "Cleaner" refineries and thermal power stations  
The Twelve agree to limit atmospheric pollution.

P. 5 TRANSPORT: Meeting the needs of the Single Market  
Levelling lorry taxes to ensure fair competition in the EC.

P. 6 SMEs: Three new regional centres for small businesses  
The European network now has 27 such centres.

SMEs: After helping small businesses in Ireland ...  
... Europartenariat moves to Spain in the second venture of its kind.

P. 7 INFLATION: Prices continue to rise  
Up by 0.5% in October for the EC as a whole.

Mailed from: Brussels X

EUROFORUM

**ENVIRONMENT: A green light for the small "clean" car**

The Twelve agree on exhaust emission standards for smaller cars.

In the 1990s the smaller European cars will harm the environment less than at present. Steps to limit polluting exhaust emissions from larger cars have already been agreed by the 12-nation European Community. It has now set stricter limits for cars of less than 1.4 litres, which account for some 60% of all cars on the road.

The EC Council of Ministers agreed to the terms of a Community regulation on November 25, after hesitating for five months. The new standard is equivalent to that already adopted for medium-sized cars: 30g. per test for carbon monoxide and 8g. per test for a combination of hydrocarbons and nitrous oxides. These upper limits will make possible a 48% reduction in carbon monoxide emissions and a 58% reduction in emissions of hydrocarbons and nitrogen oxides.

The European Parliament must now look at the regulation for a second time. It will apply to new models from 1992 and new versions of existing models from 1993. France and Spain will need five years from the date the new regulation comes into force to adapt to it, according to their governments. The European Commission's response has been a "We shall see".

The nine countries voting for the new regulation (they included France) have undertaken not to use tax incentives to encourage the use of standards other than the Community's. The Dutch, who were not among the nine, have announced tax reductions for those who buy cars which meet the stricter American standard. They have been asked by the Commission to think again.

National or regional initiatives, taken on ecological grounds, as in the Netherlands, endanger the common market in motor vehicles, to be ushered in by the Single Market in 1992. Meanwhile the Twelve have agreed to look at the possibility of further reductions in exhaust emission levels by the end of 1991 at the latest.

**SOCIETY: 44mn. poor, many of them elderly**

The European Commission reports on the fight against poverty in the EC.

Some 44mn. people in the 12-nation European Community live in poverty, according to the European Commission's report on the fight against poverty. This is equal to around 14% of the total population. Their incomes are well below the average for their country. But this is only one aspect of their poverty. Others include rundown, over-crowded housing; homelessness; illiteracy; limited access to health care and jobs which are unhealthy and hazardous.

The basic reasons for the increase in the number of people living in poverty are rising unemployment; jobs which are both precarious and badly paid, and the rise in the number of single-parent families, the Commission's report notes. It is among the unemployed that the number of those living in poverty has risen the most; but the most numerous categories in several Community countries are generally the elderly and those on social security. And because the elderly tend to be women more often than men, the number of women living in poverty is higher. But among the unemployed, the young are much less protected by social security.

Although the Community has its own programme to fight poverty, its budget is very small - ECU 29mn.\*, spread over the four years of the current programme (1985-89). The Commission has confined its efforts, therefore, to looking for the most effective ways of fighting poverty, thus helping the Member States improve their national policies. But the Community also contributes indirectly through its general economic policy and the activities of its various structural funds, including the Social Fund.

The Community's current programme is a follow-up to the first, launched in 1975. It consists mainly of a series of innovative but local projects, aimed at specific groups, such as the long-term unemployed and the elderly, even while serving as pilot projects for the Community at large. Of the 91 local projects, 15 are in Britain and 9 in Ireland.

\* 1 ECU = UK£0.66 or IR£0.77.

**ENVIRONMENT: Turning waters from red to blue again**

The Twelve reach agreement on a draft Community regulation.

The Twelve should begin applying a European Community regulation aimed at progressively eliminating pollution from titanium dioxide within a year. The EC Council of Ministers was able to agree in principle to a Community directive on November 24, after seven meetings on the subject.

Titanium dioxide is used in a number of chemical industries, and in the manufacture of paints and varnishes. But waste from these industries pollutes the air as well as the rivers; some years ago it turned the Mediterranean from blue to red in the Tuscany region.

The regulation bans the dumping of titanium wastes into the sea from 31 December 1989. It also bans the dumping of the more dangerous among them, especially solid, strongly acid wastes from old factories, into rivers and lakes. The cutback in the dumping of the less dangerous wastes would be according to a timetable covering the period 1989-92, and is measured in kilos per ton of titanium dioxide produced. Both Britain and France have been allowed to postpone the implementation of certain measures until the end of 1992. Atmospheric emissions of chlorides and oxides of sulphur are covered by a separate timetable.

**ENVIRONMENT: "Cleaner" refineries and thermal power stations**

The Twelve agree to limit atmospheric pollution.

Large thermal power stations and oil refineries should become "cleaner" over the next 15 years, thanks to a Community regulation limiting atmospheric emissions of three pollutants. The regulation, adopted by the European Community Council of Ministers on November 25, covers sulphur dioxide, nitrous oxides and dust. It stipulates that the reductions will take place in three stages - in 1993, 1998 and 2003 - for existing large combustion installations, and also lays down the limits for new installations.

The Council formally adopted an extension to the 1982 Seveso Directive on the information to be made public as regards dangerous chemicals. Companies must now provide information on the storage of such chemicals, under whatever form.

**TRANSPORT: Meeting the needs of the Single Market**

Levelling lorry taxes to ensure fair competition in the EC.

Lorries and other commercial vehicles travelling outside their country of registration may have to display a European Community sticker in another year or two. Its price would vary from one EC country to another, largely because of differences in tax levels in the Member States.

These differences are substantial and a major obstacle to the development of a single European market for road transport, according to the European Commission, because they can distort competition. Some countries have even threatened to take measures against lorries from other EC countries.

The Commission proposed a new basis for taxing commercial vehicles to the EC Council of Ministers in January. It has now outlined various options open to the Twelve, including a Community sticker or vignette. The Commission will send the Council detailed proposals by mid-1989, once EC transport and finance ministers have had an opportunity of looking at these options.

The Commission envisages a first stage during which the 12 Member States would calculate all lorry taxes on a common basis. This would be the vehicle's weight, thus reflecting the wear-and-tear caused by each of them on the road network. The next stage, a Community-wide system, would be introduced on 1 January 1993. It would take account of the use lorries make of the roads in other EC countries.

The Commission has now indicated how this might be done. As distortion of competition is most apparent when vehicles are outside their country of registration, the Commission is proposing a sticker, whose price would be calculated in three stages. A standard rate would be fixed nationally for each category of lorry, representing the "infrastructure cost". The national vehicle tax, excise duty on fuel, etc. would be deducted from this cost to arrive at the price of the sticker. Where these taxes are high, as in Britain, the sticker would be relatively cheap, even free.

**SMEs: Three new regional centres for small businesses**

The European network now has 27 such centres.

Three new service centres, to help small and medium-sized enterprises (SMEs), are being set up in Italy (Chieti-Pescara), Portugal (Setúbal) and the Netherlands (Heerlen). They will bring the number of business innovation centres, set up with the financial support of the European Commission, to 27.

Located in areas of industrial reconstruction in eight European Community countries, these centres offer SMEs a complete range of services. They help new businesses launch themselves; identify and select SMEs which can modernize or diversify their activities and provide management training. The centres help small businesses innovate, acquire new technologies and carry out research. They also make it easier for SMEs to obtain loans and grants, especially from the EC, as well as venture capital.

The announcement by the Commission, at the end of November, of the creation of the three new centres means that all EC countries will have at least one business innovation centre, with the exception of Denmark and Luxembourg. Britain has eight such centres, at Barnsley, Calderdale, Cardiff, Chester, Londonderry, Clwyd, Rossendale and Strathclyde, and Ireland four, located in Cork, Dublin, Galway and Limerick.

**SMEs: After helping small businesses in Ireland ...**

... Europartenariat moves to Spain in the second venture of its kind.

Andalusia, in southern Spain, will enjoy the benefits of Europartenariat in 1989, following the success of the operation in Ireland this year. Launched by the European Commission, Europartenariat aims at helping small businesses in the European Community's less developed regions team up with their counterparts in the more prosperous areas.

The European Commissioner for SMEs, Abel Matutes, explained to Andalusians how the operation will benefit them at a meeting in Seville on November 25. Between 150 and 200 proposals from local SMEs wanting to cooperate with SMEs in other EC countries will be circulated to them through the Community's information networks: the Euro-Info-Centres, BC-Net and the business innovation centres (see article above), as well as chambers of commerce and other bodies. Heads of companies from all over the EC will meet in Torremolinos on 22 and 23 June 1989 to discuss the proposals in person and eventually enter into agreements.

**INFLATION: Prices continue to rise**

Up by 0.5% in October for the EC as a whole.

The rise in prices, which began in August, continued during October, when the consumer price index rose by 0.5% for the 12-nation European Community as a whole. The rise was due largely to the increases recorded in October in four countries: Greece (2.5%), Britain (1%), Portugal (0.9%) and Italy (0.8%).

Elsewhere in the Community, prices were stable. They remained unchanged in Belgium, rose by 0.1% in Germany, the Netherlands and Spain and by 0.2% in Denmark, France and Luxembourg.

Following October's price rises, inflation in the Community was running at a rate of 3.9% over a 12-month period. This was the highest rate in 30 months, according to Eurostat, the EC's statistical office. Even so, the rate was below that recorded by the United States and Canada (4.2%) and the Nordic countries (around 6%). But it was well above the inflation rates for Japan (1.3%) and Switzerland and Austria (1.8%).

Inflation rates within the Community itself ranged from 0.7% for the Netherlands (over a 12-month period) to 14.1% for Greece.