



## a newssheet for journalists

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Mailed from Brussels X

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TELEVISION: Never mind the standard , it's the format which counts

European Commission looks at the state of play as regards tomorrow's TV.

Will high-definition television (HDTV), with its cinema quality pictures and sound to rival compact discs, prove to be a mirage? The European Community obviously has missed a number of opportunities to put high-definition television within reach of the general public. But the technology nevertheless has improved in recent years and high definition is still on the cards. The European Commission is confident the new television will have a 16:9 format, the same as cinema screens, so that the industry will simply have to get ready for it. The Commission in fact wants the Twelve to adopt the action plan it proposed last April, and which is designed to make it easier to produce programmes for the new format television screens. The two European Commissioners most closely involved in the matter, the industry commissioner Martin Bangemann, and the audiovisual commissioner, João de Deus Pinheiro, have reaffirmed their support for this plan, even while considering the standard for the transmission of programmes as not essential.

The fact is the traditional television set seems destined for the scrapheap; in any case, thanks to the new technology it will be increasingly possible to separate the various parts of the set. The movable screen could be hung on the wall, the two loudspeakers placed separately, along with the tuner, the electronic equipment needed to tune in to a particular programme. The possibility of separating the various parts of the set is in the consumer's interest for two reasons: (1) the same loudspeakers can be used not only for television but also to listen to the radio and to records and audiocassettes and (2) it will be unnecessary to change everything with the change in transmission standards, following the arrival of HDTV: it will be enough to buy a new tuner.

The tuner will not be particularly expensive; mass-produced, it would cost a few ECU\* at most. As for the loudspeakers, their price will depend on their sound quality. Finally, and above all, the screen, which currently accounts for 80% of the price of a television set, will remain the most important piece of television equipment; even when mass-produced, it will cost at least 25 to 30 times as much as the tuner.

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The Commission is of the view, therefore, that consumers should be able to buy a screen in the new, and definitive, 16:9 format without worrying about the likely changes in the field of transmission standards. The fact is that this is an area in which the situation has become less clear in recent months.

In December 1991 EC ministers adopted a technical standard for satellite transmission designed to ensure both the transition to HDTV and the launch of high definition. The current PAL and SECAM standards would remain available for land-based transmissions. Since then the industry has begun to prepare new technical standards for the transmission of HDTV programmes over land-based systems.

The action programme, first proposed by the Commission in April 1992 in order to encourage the production of programmes in the 16:9 format, counted on the use of the standard adopted on paper by the Twelve in 1991. This aspect of the Commission's proposal encountered a certain resistance on the part of the EC Council of Ministers. This is why the Commission is now emphasizing programme format, which it regards as crucial, independently of transmission standards.

A European standard for the production of HDTV pictures already exists, using 1,250 lines. The picture which appears on the screen is divided into 1,250 lines, instead of 625, as in traditional television screens. The result is a much sharper picture. The Japanese standard uses 1,125 lines, the American 1,050.

The Commission now believes it to be vital, for the future of the new format and "Made in Europe" HDTV, that television companies offer as quickly as possible a high proportion of their programmes in the 16:9 format, in order to encourage the shift to the new format by consumers. The subsidies from the EC budget, envisaged under the Commission's action plan, are intended in fact to speed up the launch of these new format programmes. It now remains to sell the idea to the Twelve and to the British government in particular, which has shown little enthusiasm so far.

\* 1 ECU = UK£0.83 or IR£0.80

NUCLEAR ENERGY: ECU 330mn. to improve safety in Eastern Europe

The 12-nation EC provides 60% of the aid from industrialized countries.

Nearly seven years later the memory of Chernobyl lives on, in both Eastern and Western Europe. Soviet-built nuclear power stations, of the Chernobyl or some other model, are still in operation across much of Central and Eastern Europe, presenting an obvious threat to the safety of the continent. The West has undertaken to help the countries of Eastern Europe improve the safety of their nuclear installations, with the European Community providing the bulk of this aid: the fact is that it will have provided some 60% of the total aid received by them by the end of this year. The Commission decided on March 10 to transfer ECU 20mn.\* to a special account which the Western industrialized countries provided for at the end of last year in order to improve the safety of the most dangerous nuclear reactors.

This initiative must be viewed alongside all the others undertaken by the Community in the last two years in the context of its two aid programmes for the new East European democracies: PHARE for Central and Eastern Europe and TACIS for the members of the Commonwealth of Independent States (the former Soviet Union).

Since 1990 the EC has taken part in an emergency programme set up to ensure the safety of the installations at Kosloduy, in Bulgaria. At the end of last year one of the reactors was returned to service after having been extensively modernized. While it was closed down the EC and Nordic countries supplied Bulgaria electricity free of charge as compensation. The Commission also backed the modernization of two nuclear power stations in the former Czechoslovakia in 1991. This year installations in Hungary and Lithuania will benefit from EC aid.

Aid to the countries of the former Soviet Union was more difficult to organize at the start: it was only last year that the Russian and Ukrainian authorities accepted the principle of on-the-spot aid. Since then the European Commission has sent experts to several nuclear power stations in these two countries.

The EC will have devoted a total of ECU 330mn. to nuclear safety in the East - as compared to the ECU 24mn. provided by the United States and ECU 19.5mn. by Japan.

\* 1 ECU = UK£0.83 or IR£0.80

CONSUMERS: What are Europeans buying?

A survey by Eurostat shows that regional differences remain, despite certain shared tastes.

People living in the Mediterranean countries prefer to buy clothing, while those living in more northern climes have a preference for household appliances. Some 40% of the household budget is spent on foodstuffs in Ireland, Portugal and Greece, as compared to less than 20% in Germany, France and the Benelux countries. Luxemburgers have a passion for cars - along with the British, Spaniards and Germans, who devote 10% to 12.5% of their household budgets on them.

Spending habits of Europeans clearly are strongly influenced by differences in income levels; but there are other factors at work. A survey was carried out by Eurostat in order to assess the present situation and see if the creation of a single market is giving birth to a "Euroconsumer", with a uniform life style and buying habits throughout the EC. The survey concluded that Europeans continue, for example, to feed and dress themselves in rather different ways, even though it also uncovered shared tastes, especially as regards cars, beauty products and other luxury goods and more particularly among the relatively well-off.

The "Euroconsumer" is not poised to take over; far from it. If nearly all European homes are equipped with a refrigerator (from 99% of homes in Belgium, Denmark, Greece and Spain to 81% in the U.K.), or a washing machine (from 95% of homes in Spain and the Netherlands to 66% in Portugal), the situation varies a great deal when it comes to other household appliances. Only 2% of Greek homes have a deepfreeze, for example - as compared to nearly 93% of homes in Luxemburg. Greek consumers remain indifferent to microwave ovens; a mere 0.3% of them have one. But other Europeans are not too keen on them either, the British being the exception: half their homes are fitted out with such ovens, as compared to just 19% of German and Danish homes.

When it comes to cars, the differences clearly are due to differences in living standards: there are 125 cars for every 1,000 inhabitants in Portugal, 172 in Greece and 210 in Ireland. But the corresponding figures for Luxemburg and Germany are 470 and 475 respectively.

Distribution methods vary also from country to country. Hypermarkets dominate France's retail trade: there are 1.5 of them for every 100,000 inhabitants, as compared to 1.3% in Germany and Britain and only 0.3% in the EC's southern regions. The highest number of retail outlets are to be found in Italy: there are nearly one million of them, as many as in Britain and France combined. Most of them are small family businesses - as in Portugal, where they are even more numerous on the ground, relatively speaking. But the shops in Portugal are smaller than in Italy, employing 2.1 persons on average - generally husband and wife.

Europeans may resemble each other - but they have different habits.

#### FINANCE: Cross-border payments

Euro-MPs adopt two reports aimed at making them easier.

Despite the increase in trade and the creation of the single market, cross-border payments have not become more reliable nor cheaper in numerous EC countries. Costs are levied twice over; there are payment delays; there is an absence of transparency; commissions are too high, etc. - a plethora of obstacles to trade which must be eliminated as a matter of priority.

In adopting two reports on this subject the European Parliament is asking for Community legislation which, by making cross-border transactions easier, makes it possible to abolish the barriers which continue to prevent the market from operating normally. The first of the two reports, presented by M. Pedro Bofill Abeilhe, subscribes to the proposals drawn up by the European Commission in a 1992 working document on the payments system in the framework of economic and monetary union. Euro-MPs, who are of the view that the principle of cross-border compatibility should apply to all new payment systems, have recommended the preparation of a directive designed to protect consumers. It would require banks to inform their customers of the cheapest means of making a payment and of their right to bear all the costs arising from a cross-border payment, thus preventing costs from being charged twice over. The report also lays down a time limit of four working days maximum in carrying out a cross-border payment, and gives customers the possibility of access to an appeals procedure.

The second report, presented by the British Euro-MP Anthony Simpson, focused on the legal aspects of the question: pending the adoption of a single European currency, which will automatically settle the great majority of problems related to cross-border payments, Mr. Simpson is of the view that some of them could be provisionally settled by means of European directives, while the others could be resolved by the financial institutions themselves.

The European Parliament is therefore asking the European Commission to present a directive designed to harmonize national laws in the field of the execution and irrevocability of payments as well as in that of insolvency. As for financial establishments entrusted with making the payments in question, it is necessary that they undertake to draw up and respect the strict code of conduct. The Member States should liberalize their banking laws in order that banks may offer their customers the possibility of opening current accounts in all convertible currencies.

Finally, the European Parliament has called on the European Commission to obtain from third countries, and the United States and Canada in particular, reciprocity as regards cross-border payments. Commissioner Raniero Vanni d'Archirafi, speaking on behalf of the Commission, declared himself largely in agreement with the authors of the two reports.

ECONOMY: COMMERCE 2000 will be held in Brussels on June 14 and 15

The aim is to encourage the adoption of modern trading practices.

Some 18mn. people are employed by the 4.2mn. businesses that make up the retaining and distribution trades in the 12-nation European Community. This is a sector which has undergone a dramatic change in the course of recent years - and the process is not yet over. The completion of the single market, and the impetus it has given to the consolidation of the single market, as well as the growing use of advanced communication and information technologies, have opened up new frontiers for all trading enterprises. But they do not all face the same problem: 2.19bn. of them are small and medium-sized businesses, employ-

RESEARCH: A factor in economic recovery  
European Commission presents fresh guidelines.

At a time of stagnation and unemployment the economy can be relaunched in two ways: (1) by financing large infrastructure projects involving the building of railways, motorways and energy distribution networks and (2) stimulating investments by small and medium-sized enterprises (SMEs). The EC has already embarked on activities in these two directions, following the Edinburgh meeting of the European Council last December. But scientific and technological research can also help bring about economic recovery at the Community level: in Edinburgh the Twelve asked the European Commission to submit proposals. This is just what the Commissioner for research, Antonio Ruberti, did on March 9, when he put forward new guidelines. These can be summed up under three main heads: consider all research being conducted within the 12-nation EC as forming a whole; accept the most selective actions and, finally, bring research and training closer together.

These new guidelines are intended to complete the forthcoming framework programme for research, which will bring together all the research activities to be helped with funds from the EC budget during the period 1994 to 1998. In presenting its proposals for this framework programme last September, the Commission had estimated the cost to the EC budget at ECU 14,700mn.\* The on-going framework programme is already costing billions of ECU; but even so it represents less than 4% of the total public funding for scientific research in all 12 EC countries. This of course is why the Commission believes that research conducted in individual EC countries must be better coordinated between them and with research conducted at the EC level and in the various specialist European programmes and institutes, such as EUREKA, the European Centre for Nuclear Research (CERN) and the European Space Agency (ESA).

Given the limited nature of the funds available, the Commission is recommending that research be concentrated in a small number of technologies which can benefit several industrial sectors. The new guidelines also cover transport and urban housing.

In the Commission's view European research should also contribute to improving professional qualifications and increasing the number of specialists in advanced technologies.

\* 1 ECU = UK£0.83 or IR£0.80