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TO OUR READERS

We would like your help in evaluating EUROFOCUS. Do you find it useful? Do the articles meet your needs? Could you give us your own assessment - and send us clippings of material you have used recently? Thank you for your help.

Mailed from Brussels X

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200 rue de la Loi • T-120 7/56 • 1049 Brussels • Belgium • Tel.: 299.90.52 • Fax: 299.92.08

EUROFOCUS

A PEOPLE'S EUROPE: A virtual four-fold increase in duty-free goods ...

... for travellers from countries outside the European Union.

As from April 1 at the latest, Europeans who have been visiting a country outside the European Union, or have been living there, will be able to bring back nearly four times as many goods, without any formalities, than is the case at present. EU ministers agreed in mid-February to raise the duty-free allowance for adults from ECU 45* at present to ECU 175. As a result, they will be able to re-enter the EU without having to declare their purchases or pay either customs duties or VAT on them up to this higher limit. For those under 15 years of age the new duty-free allowance will be ECU 90, as against ECU 23 at present.

Such generosity on the part of finance ministers is no doubt due to the fact that the present duty-free limit was agreed to in 1981. Since then the ECU has lost some of its purchasing power

EU ministers agreed to make two exceptions. Until 1 January 1998 travellers entering Germany from either Poland or the Czech republic by road, rail or sea, will be subject to the present limit of ECU 45 - ECU 23 for those under 15 years of age. For travellers from the Canary Islands, Ceuta or Melilla to the Spanish mainland, the duty-free allowance has been set at ECU 600 - ECU 150 in the case of those under 15 years of age - until 31 December 2000.

It should be pointed out that within the European Union itself there is no limit, since 1 January 1993, on the purchases that individuals can make in another EU country and take home without formalities. In principle, this freedom also implies the elimination of duty-free purchases for those travelling from one EU country to another. But the system of duty-free allowances will remain in force until 30 June 1999. EU ministers even decided in mid-February to raise the allowance from ECU 45 to ECU 90 in the case of purchases made on aircraft and boats and in ports and airports by travellers within the EU.

* 1 ECU = UK£0.75 or IR£0.78

VAT: A European system for second-hand goods and works of art

Cars will remain "new" somewhat longer as from next year.

As from 1 January 1995 cars in the 12-nation European Union will be considered as "new" until they have been on the road for six months and clocked up 6,000 km. Anyone buying such a car, from a garage or dealer, will have to pay VAT on the full price. In the case of second-hand cars VAT will be paid only on the seller's profit margin, under the new provisions for the payment of VAT on second-hand goods and works of art, which EU ministers adopted in mid-February.

These provisions are contained in a "European law", the 7th VAT directive, which modifies the definition of new cars at the Community level. At present a car is considered new as long as it has been in use less than three months and done fewer than 3,000 km. The directive also makes clear that sales between individuals are not subject to any formalities and are free from VAT throughout the European single market.

Finally, the new system puts an end to numerous cases of double taxation. At present in eight of the 12 EU countries - Belgium, Denmark, Germany, Greece, Ireland, Italy, Luxembourg and the Netherlands - VAT is levied on the full price of a second-hand article or a work of art purchased from those who deal in them for a living. The article in question is therefore taxed twice over, given that VAT had already been paid at the time of the initial purchase, when the article was still new. This will not be the case from next year.

VAT will be charged on second-hand goods and works of art at the standard rate in principle in the country of the seller. There are derogations for works of art in Britain and Germany. As of 1 January 1994 the standard rate ranged from 15% in Germany and Luxembourg to 25% in Denmark; it was 18.6% in France and 20.5% in Belgium for example. The tax authorities in the EU countries will have the right to charge VAT at the reduced rate - 5% or more - in the case of direct sales by the artists themselves or their heirs.

Given that VAT must be paid in the country of origin of the goods in question, the European system for second-hand goods and works of art anticipates the definitive VAT system, set for 1997. From that date all professionals will pay VAT in the country of origin, as individuals do at the present time - except for new cars.

EMPLOYMENT: Adapt - and Europe will help you!

European Commission proposes a programme to prevent unemployment.

"Adapt!" This is the message which the European Commission flashed in mid-February to European Union companies and workers, when it proposed an ECU 1.4 billion* aid programme which seeks to deal with the threat of unemployment. The projected programme, called ADAPT, will be in the context of the regional and social aids financed by the EU for the period 1994 to 1999. It will also amount to the implementation of the White Paper, "Growth, Competitiveness, Employment", drafted by the Commission and adopted in broad outline by the EU's heads of state or government, meeting as the European Council in December.

ADAPT will cover the entire territory of the EU as well as all sectors of activity. In practice, it will encourage vocational training and the creation of new kinds of jobs and activities with a future. ADAPT will help companies and EU sectors and regions facing similar problems to solve them together, by exchanging experiences at the European level.

REGIONAL AID: A new stage in rural development

LEADER II will follow LEADER.

Cooperation between rural areas facing problems, which the European Union backed financially between 1991 and 1993, thanks to the LEADER programme, will continue between 1994 and 1999 under LEADER II, which the European Commission proposed in mid-February.

A Community initiative programme, like ADAPT, LEADER II will make it possible for local action groups to undertake economic development activities from which the EU as a whole could benefit. The Commission envisages a budget of ECU 14 billion*, some ECU 900 million of which will go to the most disadvantaged regions and ECU 500 million to fragile rural areas, from which people are either threatening to move out - or have already done so.

* 1 ECU = UK£0.75 or IR£0.78

SEXUAL HARASSMENT: The European Parliament wants to combat it ...

... by having firms employ counsellors.

Sexual harassment - making repeated and undesirable advances to women employees or subordinates, demanding sexual favours in return for a rise, a promotion or even continued employment - is wrong from both a human and economic standpoint, given that it reduces productivity and creates problems for management. This is borne out by several studies carried out in Europe, the United States and Japan. In order to combat this scourge the European Parliament has suggested, in a resolution adopted in mid-February, that large companies as well as government departments appoint special counsellors.

Numerous European texts deal with the problem. They include a resolution adopted by the European Union ministers in 1990, which deals with the protection of the dignity of men and women at work, and a European Commission recommendation to the Twelve, adopted the following year, embodying a code of practice aimed at combatting sexual harassment. But neither text is binding.

Euro-MPs believe that in order to ensure their implementation, it is necessary that an individual be in a position in which he or she can inform, alert and, if necessary, protect the victim as well as witnesses. In their view a woman is better placed to play this role, given that the victims of sexual harassment are usually women. The post of counsellor would be introduced after consultations between management and trade unions. The person selected would have the same guarantees as members of work's councils.

As it would be unrealistic to expect small and medium-sized enterprises to appoint counsellors, the European Parliament has proposed that officials from the factory inspectorate be allowed to intervene.