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\*\* The rise in the prices of petroleum products following the freight rates increase in 1970 and the recent oil agreement will improve the competitive position of natural gas and favour a resumption of nuclear power-plant construction programmes. This is the essence of the memorandum on the SITUATION OF THE COMMUNITY ENERGY MARKET (April 1971) just published by the Commission of the European Communities. A brief review is given IN AN ANNEX, together with tables illustrating the trend in the prices of certain petroleum products since the end of 1969.

\*\* Since June 1965 an intergovernmental committee of experts from the Member States of the Community has been preparing a DRAFT CONVENTION with the aim of making INTERNATIONAL MERGERS possible in law, in the light of national laws relating to mergers. A company created by such an operation will be a company incorporated under national law. The Commission of the European Communities has pointed this out in reply to a written question from Mr Vredeling, Netherlands Member of the European Parliament.

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The Commission states that the prospective European limited-liability companies will be an additional type of instrument for the integration of undertakings within the Common Market. According to the proposed regulation submitted by the Commission of the European Communities to the Council (see "Research and Technology" No. 62), a European company may be formed by merger of companies which are subject to different national laws, but the company resulting from this operation will not be subject to the laws of any one Member State: it will be a company subject to Community law.

- \*\* A course on techniques for the calculation of the fuel cycle in LIGHT-WATER REACTORS was held on 19-27 April at the Ispra establishment of the Joint Research Centre, under the auspices of the Studiengesellschaft für Kernkraftwerke (SKW) of Hanover and the Commission of the European Communities. This course was attended by qualified personnel from nine German electricity-producing companies which use or construct light-water reactors.
- \*\* A major research programme on HYGIENE IN MINES has been transmitted by the Commission of the European Communities to the Consultative Committee of the Coal and Steel Community (ECSC) before submission to the Council. This research programme, the third of its kind, was drawn up after consultation with representatives of the coal industry and specialized research institutes; its aims are to continue the fight against pneumoconiosis among mineworkers by technical means and to bring about improved hygiene in underground workings by taking technical measures against dusts, by combating air pollution caused by vapours and gases emitted by machinery and as a result of shot-firing, and lastly by improving atmospheric conditions in mines.

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In order to carry out this research programme, the Commission of the European Communities proposes to allocate 4,500,000 u.a. over a period of five years.

- \*\* A research programme on SAFETY IN COAL MINES, with particular reference to gallery and pit fires, has also been transmitted to the Consultative Committee of the Coal and Steel Community and will subsequently be submitted to the Council. The Commission would contribute 502,267 u.a. for the implementation of this programme.
  
- \*\* The Commission of the European Communities has recently extended for one year the agreement it concluded with various Community training and research institutions for the INTER-DISCIPLINARY TRAINING OF YOUNG RESEARCH WORKERS in the field of MOLECULAR BIOLOGY and RADIOBIOLOGY.
  
- \*\* A research project on the ELIMINATION OF NITROUS VAPOURS PRODUCED BY DIESEL ENGINES AND UNDERGROUND SHOT-FIRING, undertaken by the Federation of the French Iron Mining Companies, has been awarded a grant of 37,804 u.a. by the Commission of the European Communities. This work, which is of interest not only to iron mines but also to coal mines and all industries in which the release of nitrous vapours may be a nuisance to the workers and the local population, is a continuation of research begun in 1968 and likewise financed by the Commission of the European Communities.
  
- \*\* The Commission of the European Communities recently published the minutes of an international colloquium which it sponsored in November 1970 at Toulouse, France, on "RADIOBIOLOGICAL PROTECTION PROBLEMS associated with parasitic X-ray emission from electronic products". This document, published under

ref. EUR 4640 d-f-e, can be obtained from the Sales Office for Official Publications of the European Communities, 37 rue Glesener, Luxembourg.

\*\* In connection with the research conducted by the European Coal and Steel Community (ECSC) on OCCUPATIONAL DISEASES AND ACCIDENTS, experts from the Community countries held a number of meetings in Luxembourg during May which were devoted to cranio-cerebral traumatism, lesions of the spinal column, paraplegia, the rehabilitation of amputees and injuries to the locomotor system.

\*\* SCIENTIFIC AND TECHNICAL REPORTS recently published by the Commission of the European Communities include the following:

- Levels of radioactive contamination of the environment and the food chain - annual report 1969.  
(No. EUR 4546 f - 62 pages - 85 BF - available in French);
- Laboratory guide for the selection of brazing materials.  
(No. EUR 4637 e - 14 pages - 40 BF - available in English);
- Fast breeder fuel processing, pyrochemical head-end study.  
(No. EUR 4615 e - 24 pages - 40 BF - available in English);
- Mechanical behaviour of complex structures in the presence of creep, thermal strains and irradiation-induced dimensional changes.  
(No. EUR 4629 f - 66 pages - 85 BF - available in French);
- The analytical determination of the heat-transfer coefficient between the free surface of a river and the atmosphere.  
(No. EUR 4631 e - 38 pages - 50 BF - available in English);
- Some BR2 irradiation devices for fast-reactor fuel and fuel elements.  
(No. EUR 4632 e - 46 pages - 60 BR - available in English);

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- Evaporation behaviour of substoichiometric  $(U, Pu)O_2$ .  
(No. EUR 4633 e - 22 pages - 50 BF - available in English);
- Thermogravimetric analysis (TGA) of the uranium oxide carboreduction.  
(No. EUR 4635 e - 22 pages - 40 BF - available in English);
- Principles and methods for the derivation of a formula for the discharge of radioactive liquid wastes in surface waters.  
(No. EUR 4636 e - 44 pages - 60 BF - available in English);

These reports can be obtained from the Sales Office for Official Publications of the European Communities, 37 rue Glesener, Luxembourg.

The Situation of the Community Energy Market (April 1971)

(based on a memorandum published by  
the Commission of the European Communities)

Oil problems, and especially the Teheran and Tripoli negotiations between the oil companies and the producing countries have been the main forms of interest in the energy market during the first three months of 1971. They have led to an increase in certain factors in the production costs of enterprises which supply the Community with petroleum products. The outcome of these negotiations has modified certain basic data of the world oil market; in particular it has led to the disappearance of the abundant availabilities of cheap oil which characterized the supply position during recent years. On the other hand, the fact that the agreements have been concluded for a period of five years could operate in favour of a certain stability.

This situation, in conjunction with the rise in freight rates in 1970, has led to an upturn in the prices of the chief petroleum products. By comparison with the end of 1969 the trend is as follows:

- (a) As regards heavy fuel oil, the prices to the consumer (tax included) have doubled in Belgium and the Netherlands and have increased by about 60% in France, 40% in West Germany and 20% in Italy. The discounts generally accorded to buyers have practically disappeared elsewhere.
- (b) As regards domestic fuel oil, the increases are relatively more moderate, being about one-third of the price to the consumer in France and Belgium, nearly half in Italy and

West Germany, and three-quarters in the Netherlands. The present prices of domestic fuel oil differ less from country to country than those of heavy fuel oil.

- (c) As regards petrol, the price increases have come later and are relatively smaller than in the case of fuel oils. For "regular" grade, the increases, tax included, are about 3% in France and Belgium, 7% in West Germany, 13% in the Netherlands and 16% in Italy. For "super", the increases are generally about the same.

Fuel-oil prices in certain Community centres  
(November 1969 - March 1971) (\$ per tonne)

Heavy fuel oils			Domestic fuel oils (deliveries of over 5,000 t)	
<u>"Ex-refinery" prices</u>			<u>Delivered prices</u>	
	Before tax	Tax included	Before tax	Tax included
<u>Hamburg</u>				
November 1969	13.5	20.3	26.7	32.7
November 1970	19.3	26.1	38.9	46.2
March 1971	21.9	28.7	43.1	50.9
<u>Rotterdam</u>				
November 1969	9-9.5	12.9-13.4	21.7	22.6
November 1970	19.1-21.1	23.0-25.0	31.9	33.2
March 1971	20.0-22.2	24.1-26.1	38.2	39.7
<u>Antwerp</u>				
November 1969	9.5-10.5	13.5-14.5	24.5-27.5	37.0-40.0
November 1970	22.5	28.4	38.0-41.0	50.0-54.0
March 1971	22.5	24.5	32.0-34.0	48.9-51.2
<u>Dunkirk</u> <u>Le Havre</u>				
November 1969	11	13	26.5-27	36.8-37.3
November 1970	18.0-19.5	18.0-19.5	36.5-37.5	48.0-49.5
March 1971	21.5	21.5	38	49.9
<u>Milan</u>				
November 1969	14.5-15	19.5-20	25.7	36.5 (10)
November 1970	16.6	21.6	33.5-35	45.5-47 (10)
March 1971	18.2	23.2	33.5-35	45.5-47 (10)



ANNEX D.3

Trend of petrol prices at the pump in the Community countries  
(November 1969 - March 1971) (\$ per 100 litres)

	"Regular" grade		"Super" grade	
	Before tax	Tax included	Before tax	Tax included
<u>West Germany</u> (average price)				
November 1969	4.53	15.12	5.67	16.20
November 1970	4.56	15.68	6.31	17.62
March 1971	5.07	16.23	6.56	17.90
<u>Belgium</u> (sole price)				
November 1969	4.78	17.45	5.66	18.44
November 1970	4.78	17.40	5.67	18.40
March 1971	4.56	18.00	5.82	19.50
<u>France</u> (Zone D)				
November 1969	4.79	19.11	5.69	20.79
November 1970	4.98	19.31	5.91	21.04
March 1971	5.28	19.66	6.27	21.44
<u>Italy</u> (sole price)				
November 1969	4.50	20.80	5.72	22.40
November 1970	4.87	24.32	6.02	25.92
March 1971	4.87	24.32	6.02	25.92
<u>Netherlands</u> (Zone 1)				
November 1969	3.98	15.64	4.54	15.27
November 1970	4.95	16.74	5.58	17.43
March 1971	5.23	17.68	5.90	18.45

ANNEX p.4

The trend in the prices of petroleum products during the next few months will continue to be affected by the recent oil agreements. Certain compensating factors may, however, come into play, and particularly an easing of the freight market.

The price rises will not be felt equally by all consumers. They will have the heaviest impact on energy-intensive industries (electric power stations, chemical and glass manufacturing, etc.). This increase in the cost of energy should not lead to distortions of competition within the Common Market if it is applied fairly uniformly throughout the Member States. But the competitiveness of certain Community industries could be reduced relative to that of non-Community countries which have their own energy sources and will be less affected by the world rise in crude oil prices (USA, Canada, USSR). Account must, however, be taken of the structural evolution in the prices of indigenous energy sources in these countries, e.g., the tendency towards dearer natural gas in the USA. Furthermore, the recent rises in the price of energy are only one aspect of the general price movement which characterizes the present inflationary period.

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The effects of the rises in the price of petroleum products on competition between energy sources will not all be felt immediately. They will partly depend upon the behaviour of the enterprises in the energy sector and partly upon the measures taken by the Member States as regards energy policy. In this respect, it is particularly important to maintain healthy competition between the enterprises which help to supply the Community with crude oil.

The competitive position of coal mined in the Community will probably remain unchanged, but under certain conditions there could be new prospects for coal for thermal uses imported from non-Community countries. The position of natural gas, which is already favourable, will improve further as a consequence of the increased cost of fuel oil. Lastly, the present trend favours a resumption of the nuclear power-plant construction programmes, the first results of which have already been observed.

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