

BACKGROUND NOTE

ENERGY: Riches waiting to be exploited

In the year 2000, renewable energy sources, such as wind, sun, water and waste, could meet 5 to 6% of the European Community's total energy requirements. But this is unlikely to happen, according to the European Commission, if the governments of the Twelve do not lend a helping hand - which is why it has recently indicated to them some of the measures that need to be taken.

Renewable energy sources have a two-fold advantage: (1) they are inexhaustible, unlike coal, oil and natural gas, and (2) are readily available in the Community. But their exploitation requires expensive research and massive investments from the start.

According to the European Commission, biomass and waste are the most promising sources of renewable energy. The Community could one day meet over 8% of its requirements from vegetation and forest waste, the wood-based industries, agriculture and the agrofood industry - and household waste. As of now, biomass and waste could profitably meet 3% of energy requirements, in the Commission's view.

Solar energy could meet 0.5 to 1% of European needs in the year 2000. It is already used in producing hot water economically for domestic purposes in the Community's southern regions. But architects, government departments and banks are not yet well-informed about the possibilities of solar energy, according to the Commission.

Geothermal energy, which makes use of underground heat, could supply 0.4% of the energy consumed in the EC. Experts have already listed 40 exploitable sites in the four corners of the Community. But holes must be drilled, at an estimated cost of up to ECU 1,000* per metre. Another 1% of the Community's energy needs could be met by windmills by the end of the century.

The European Commission is asking the Twelve to modify national regulations which hamper the development of renewable forms of energy, to draw up a complete inventory of existing resources and to support research in this sector. According to the Commission, national authorities should also avoid setting standards which are incompatible with each other.

* 1 ECU = CAD 1.57



UNEMPLOYMENT: Unchanged in 12 months

The total number of jobless in the European Community has remained virtually unchanged at 15.7 million in the 12 month period ending this August. The information comes from Eurostat, the EC's statistical office, which points out that the situation, nevertheless, varies considerably from one country to another.

While the number of registered unemployed fell in both the U.K. and Portugal by some 500,000, it rose by as much in Italy, France and Spain. Unemployment declined by 12% in the U.K. and by 21% in Portugal over the 12-month period, but rose by over 6% in Spain and Italy and 4% in France.

Between August 1986 and 1987, male unemployment fell by 2.4%, as compared to a rise of 3.1% in unemployment among women. However, in the U.K., Portugal and Belgium unemployment declined among both men and women. Female unemployment recorded the largest rise in Spain - a substantial 18%.

TRADE: A fall in EC/East European trade

The fall in trade over the last two years between the European Community and the East European members of COMECON continued into 1987. According to the EC's statistical office, COMECON's share of the Community's imports fell from 9.2% in 1984 to 8.3% in 1985 and to 7.6% last year. Similarly, their share in the Community's exports fell from 6.3% in 1984 to 6.2% in 1985 and 5.9% in 1986. This decline has affected the Community's trade with nearly all East European countries; only exports to the German Democratic Republic recorded an increase in 1986. During the first quarter of this year, trade with COMECON's East European members fell by some 17% as compared to the first quarter of 1986.

AGRICULTURE: Towards a permanent system of free food for the poorest?

The European Commission has called on the Twelve to renew the operation mounted last winter. The poorest in the 12-nation European Community will be able to share in the Community's surplus food stocks if the Council of Ministers adopts a proposal by the European Commission for a permanent system of free distribution. An operation along the lines now proposed was launched, on a temporary basis, in January of this year because of the exceptionally cold weather.

The permanent distribution scheme would be financed through the Community's budget. The Commission is seeking ECU 100 million in special credits for this purpose for 1988. Charities in each Member State would estimate the needs of the poorest sections of the population for each item of food, thus enabling the Commission to decide the cost to the Community budget.

In each country one or more national charities would receive, free of cost, food purchased by the Community. The national charities would handle all stages of the operation. Distribution centres that must obtain the necessary foodstuffs from warehouses outside their region would be reimbursed transportation costs by the Community. To cover other expenses, the charities could ask those who are in receipt of financial aid from the national, regional or local authorities to share in their costs.

The Commission has based its proposal on the results of the temporary operation mounted last winter. It has taken into account the criticisms and suggestions of interested charities.

The results of the 1987 operation varied greatly from country to country. In some, distribution was carried out very quickly, while in others it was held up by administrative formalities. There are no exact figures as to the number of people who benefitted. In some countries it was only a tiny proportion of the population, in others it was around 10%.

The operation cost the Community over ECU 160 million, of which ECU 72 million were spent in Britain, ECU 27 million in Germany, ECU 24 million in France and ECU 15 million in Spain. Only ECU 900,000 were spent in Belgium. In the Community as a whole, dairy products accounted for three-quarters of the expenditure, although grains, beef and olive oil were also given away to the needy.

TRADE: Green light for Community-wide electronic mail

In a few years' time, computers will make it possible for manufacturers and traders throughout the European Community to communicate quickly with each other and with government departments and European agencies. However, all kinds of technical, legal, linguistic and other obstacles will first have to be swept away. This is where the Community's action programme on Trade Electronic Data Interchange Systems (TEDIS), recently adopted by the Twelve, comes in.

In an age of new technologies, the large, single common market, envisaged for 1992, cannot be simply a matter of motorists and lorry drivers being able to drive within the Community as freely as within a Member State. Firms of all kinds and sizes will need to be able to place orders or bill customers electronically inside the 12-nation Community.

TEDIS will be launched on 1 January 1988. There will be a two-year preparatory phase, which should make it possible to identify problems and define the elements of a solution. The EC Council of Ministers recently released a total of ECU 5.3 million for this initial phase, although this is somewhat less than the ECU 6 million sought by the European Commission.

TEDIS will allow coordination, at the Community level, of the work being carried on in the individual Member States, to perfect electronic systems for the transmission of commercial information. The programme will have to guarantee that the transmission of such information will not be overlooked in the preparation of European telecommunications standards.

TEDIS also comprises action aimed at drawing the attention of potential users and European manufacturers of computer hardware and software to the new possibilities which electronic data transmission at the Community level offers them. The action programme should also allow small and medium-sized businesses to take full advantage of the new system.

TEDIS will also tackle the problem of incompatibility between national regulations, as well as language difficulties, where users could turn to automatic machine translations, for example. The TEDIS programme will also attempt to find ways of guaranteeing the confidentiality of information sent over the new European system.

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