Eurofocus

NEWS ITEMS OF GENERAL INTEREST

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MONEY - Euro notes and coins will be in people's pockets in January, 2002

The 11 euro area countries agree to speed up the cash changeover.

With the introduction of euro notes and coins in just over two years' time, on 1 January 2002, things will move very quickly. Before January is over we will be handling far more of the new money than francs, D-marks and pesetas, for example. The finance ministers of the 11 euro area countries* agreed in early November to speed up the use of the single currency.

According to the decisions already adopted by the European Union (EU), euro notes and coins will be put into circulation from 1 January 2002. In each euro area country, national notes and coins will be allowed to remain in circulation until 30 June 2002 at the very latest. It was conceded that each of the 11 governments would fix the date for the definitive withdrawal of its national currency.

These 11 governments are now of the view that the period during which national notes and coins will circulate alongside the European ones will last between four weeks and two months. From the beginning of March 2002 the member states concerned may facilitate the exchange of old notes and coins against the new ones. Indeed, they will do their best to ensure that the bulk of cash transactions can take place in euro by mid-January 2002.

To help vulnerable groups of the population, such as the blind or elderly, the finance ministers plan to make limited quantities of euro coins available to the public, on request, from mid-December 2001. Similarly, banks and shops should also receive these notes and coins beforehand, so that they can start using them in their transactions with their clients from 1 January 2002. Of course the new euro notes and coins will not be legal tender before that date.

It is worth pointing out that it has been possible, since January 1, to have a euro bank account and to use the euro to make payments by cheque and credit card and on the Internet.

* Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

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TELEVISION - Limiting advertising during film shows

Governments can do this, according to the European Court of Justice.

All who want films shown on television to be as free of advertising breaks as possible should be satisfied. The European Court of Justice ruled at the end of October that the governments of European Union (EU) member states had the right to limit, up to a point, the amount of advertising. The Court in effect upheld a German law on this matter and found in favour of Germany's leading public television channel, ARD, and against the German commercial channels PRO Sieben, SAT 1 and Kabel 1. The French, Dutch and Portuguese governments had intervened in support of ARD.

The case grew out of a dispute between ARD and the three commercial channels on the method of calculating the number of advertising breaks allowed under German law. The dispute reached the European Court of Justice because the «Television without frontiers» directive, or European law, specifies the maximum number of such breaks, in order to ensure fair competition throughout the EU.

Under the terms of this directive, advertising breaks can be inserted into film showings once every 45 minutes, if the programme in question is longer than 45 minutes. The directive provides for an additional break if the programme exceeds by at least 20 minutes one or more 45-minute periods.

It remains to be seen whether or not the advertisements should be included when evaluating the 45-minute periods. Including them means adding to the advertising breaks in certain cases. This is what the German commercial channels wanted to do, thus going against German law. Excluding them can result, in certain circumstances, in limiting the number of advertising breaks; this is the principle of clarity, which ARD is fighting for.

The correct interpretation of the «Television without frontiers» directive, according to the European Court of Justice, requires advertisements to be included when calculating the 45-minute periods. But for the Court the directive authorizes an EU country, in the case of interruptions in the screening of films, and only as regards television channels established in the country, to provide for calculations which do not take advertising into account, as is done in Germany. A national regulation of this nature, according to the European Court, is not contrary to European rules on the free movement of goods, freedom to provide services and fair competition.

TRANSPORT - A «citizens' network» to make it easier to move about in European cities

Helpful comparisons can stimulate use of public transport and reduce pollution.

Are there ways of making travel within cities handier, quicker, cheaper and less polluting? While there is no miracle solution, it is worth comparing the achievements and results of European cities of varying sizes and located in different countries. Senior officials from 15 cities, located in nine countries, certainly believe this, having taken part last year in a pilot project, "Citizens' networks", which was launched and coordinated by the European Commission.

Four of the 15 cities or urban areas, located in eight European Union (EU) countries and the Czech republic, which has applied for EU membership, have successfully persuaded more people to use public transport over the last 10 years. Three of the cities - Bremen, Dresden and Stuttgart – are in Germany, and one in France – Nantes. Use of private cars in particular has fallen in three cities, including not only Stuttgart and Nantes but also Genoa, in Italy.

In three of the 15 cities in question there has been a fall in the number of days during the year when threshold levels for air pollution, which is largely due to transport, are exceeded. The cities are the Greek capital, Athens, Graz in Austria and Oulu in Finland. The fact that these cities are not among those mentioned earlier as having succeeded in popularizing public transport, points to the complexity of the problems in question.

Comparisons between cities and urban areas have been made possible by their answers to a European questionnaire covering numerous aspects of urban transport, ranging from the price of petrol to cycle paths and bus design.

Of all these aspects, the cost of using public transport is particularly striking. In Liverpool's Merseyside district it works out at €102 a month, on the basis of the normal fare, as against €15 in Athens and just €11 in the Czech capital, Prague. In most of the cities and urban areas in question the monthly fare works out at €25 to €50.

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From the replies to the questionnaires it was also possible to calculate the quantity of petrol you can buy for the price of a month's travel by public transport in each of the 15 cities and urban areas. Here, too, there are striking differences. The quantities range from 18 litres in Prague and 22 litres in Lisbon to 60 litres in Stuttgart and 102 litres in Merseyside.

The cost of using a city centre car park for an hour, on a working day, offers another interesting point of comparison. It ranges from €2.90 in Athens to €0.41 in the Italian city of Terni. It is over €2 in Edinburgh, comes to €1.80 in Paris and Stuttgart, and to €1.70 in Liverpool. The cost falls to €1.35 in Glasgow, to €1.25 in Genoa and to less than one euro in the Portuguese capital, Lisbon.

And as for the average speed of buses during the rush hour, it is 20 km/h or better in Bremen, Dresden and Stuttgart, 15 km/h in Genoa, Terni, Lisbon and Graz – and even less in the other cities.

All these factors – bus and train fares, the cost of petrol, bus speeds - naturally influence people's behaviour. This is also true of other features of urban transport, such as the presence or absence of cycle lanes, the existence of car parks near underground stations or tram stops – or even the presence of bus lanes.

In addition to comparisons, the cities and urban areas taking part in the pilot project studied, in small groups, four specific areas of urban transport, starting with the way in which good decisions are made and implemented. Strategies likely to encourage motorists to adopt more environment-friendly means of transport, for at least a part of their journey, was the second area of study. The third covered solutions aimed at making bus services more effective, while the fourth dealt with ways of improving information on public transport, for the general public.

There is more to the "citizens' network" project than this, of course. A new one-year project, devoted to the comparative analysis of achievements, is under preparation. A larger number of cities and urban areas will compare the results they have achieved, in order to improve on them.

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They will examine in greater detail such topics as the perception citizens have of their transport system; the different modes of transport, from the users' point of view, the integration of several modes of transport for the same journey and, finally, the ratio of price to quality in transport.

The EU's contribution will consist of managing the database containing all inter-city comparisons, providing technical advice and spotting experiments which are a model of their kind, so that they can be studied on the spot.

The European Commission recently invited all interested local and urban authorities, as well as urban transport bodies, to submit their applications. They can do so until 15 January 2000, by writing to Mr Heinz Hilbrecht, Head of Unit B2, Directorate-General: Transport, 200 rue de la Loi, B-1049 Brussels, Belgium. Fax: (00-32-2) 2995887. Additional information is available on the Internet, in English, French and German, at http://www.eltis.org

1 € = UK £O.65 or IR £0.79.

TAXES – A training course under palm trees is deductible

You cannot discriminate between countries, according to the European Court of Justice.

Bent Vestergaard works in his country, Denmark, as an auditor. He has a small firm, of which he is the sole owner and sole employee. In October, 1988, he took part in a week-long training course on taxation, given by a Danish firm of auditors. The course was held on the Greek island of Crete. Ironically, because of the course Mr. Vestergaard found himself in trouble with...the Danish tax authorities, who refused to consider the course fees as tax-deductible. However, at the end of this October the European Court of Justice held this decision to be contrary to European Union (EU) rules, on the grounds that had the course been held in a Danish tourist resort, the tax authorities would have raised no objections.

The course in question was not held in Greece for technical or practical reasons. The fact is that it was organized by Danes, for other Danes. But this does not mean that it was bogus: of the seven days they spent in Crete, Mr. Vestergaard and his fellow auditors worked three full days and two half days. Besides, if his company paid Mr. Vestergaard's travel and hotel costs, it did not pay for his wife, who accompanied him.

Even so, the costs of a training course held in a tourist site outside Denmark are not tax-deductible, under the terms of the directives issued by the Danish tax authorities. They even claimed that Mr. Vestergaard's expenses in Crete amounted to additional income. The latter took the matter to court. After several years of proceedings the Danish appeal court brought the case to the European Court of Justice.

The European Court held that the policy of the Danish tax authorities was contrary to the free provision of services, guaranteed by the Treaty which serves the EU as its constitution,. It was contrary because it discriminated between courses held in Danish tourist resorts and those conducted in other EU countries.

CONSUMERS - There's a telephone in nearly every home in the EU...

...while dishwashers and microwave ovens are the least widespread.

Nearly all households in the 15-nation European Union (EU) have a telephone. The great majority of them also own a car and, if to a lesser extent, a video cassette recorder. But far fewer households have a microwave oven, and dishwashers are even less widespread. As for a second home, it remains the prerogative of a small minority. This birds'-eye view of consumption in the EU is to be found in the latest edition of the yearbook, «A statistical eye on Europe,» published recently by Eurostat, the EU's statistical office.

More than three-quarters of households in all EU countries had a telephone in 1995, the latest year for which such statistics are available. The proportion for Ireland and Portugal was not much higher than this, while in Spain fewer than nine-tenths of households had a telephone. However, the proportion was higher elsewhere in the EU*.

The great majority of European households own a car. At one end of the spectrum are Greece and Portugal, where somewhat fewer than six households out of 10 have a car. Luxembourg and Italy are at the other end, with more than eight out of 10 owning a car. Many households cannot afford a car in Greece, Ireland and Portugal, while in the Netherlands more than one household in four has decided not to have a car for reasons other than economic.

The UK leads in the number of VCRs, with more than eight households out of 10 owning at least one of these devices. Ireland and the Netherlands are not far behind, with seven households out of 10. Greece brings up the rear, with just over four households out of 10.

The UK also holds the record for microwave ovens, with more than seven households out of 10 owning one. Here, too, the Irish and Dutch are not far behind, with more than one household out of two, closely followed by the Belgians. Microwave ovens have had the least success in Greece, Italy and Portugal. In most EU countries, a high proportion of households have decided to do without microwave ovens for non-economic reasons.

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Dishwashers are even less in demand than microwave ovens. Luxembourg is the only EU country where more than one household in two owns one. Austria is next, followed by Germany, with roughly four households out of 10 owning microwave ovens. Spain and Portugal are at the other end of the spectrum – fewer than two households out of 10 have one.

As for second homes, only a tiny minority has one. Greeks and Spaniards are in the lead, with nearly two households out of 10 owning a second home. The proportion drops to roughly one out of 10 in the case of Luxembourg, Italy, France, Austria and Portugal. The Dutch bring up the rear. In most EU countries, starting with those in the south, many households – often more than four out of 10 – would like a second home, but cannot afford one.

* There are no statistics for Finland and Sweden.

UNEMPLOYMENT – Down to 9.1% in the EU in September...

...when 12.8 million people were jobless.

Unemployment fell marginally in the European Union (EU) in September, when it stood at 9.1%, as compared to 9.2% in the previous month. These definitive figures were released by Eurostat, the EU's statistical office, in early November, when it estimated the total number of unemployed people at 12.8 million, on the basis of International Labour Office (ILO) criteria.

Luxembourg continued to have the lowest level of unemployment in the EU in September (2.7%). It was ahead of the Netherlands (3.1% in August), Austria (4.2%), Denmark (4.3%), Portugal (4.7%), the UK (5.9% in July), Ireland (6.4%), Sweden (6.9%) and Belgium (8.9%). Countries with unemployment rates above the EU average included Germany (9.2%), Finland (9.8%), France (10.8%), Italy (11.4% in July) and Spain (15.4%).

Please contact us by fax or e-mail if you would like copies of the documents used in the preparation of Eurofocus articles.

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