

Eurofocus

A NEWSHEET FOR JOURNALISTS • REPRODUCTION AUTHORIZED

No. 42/82

BRUSSELS, December 13, 1982

Week of 6 to 11 December

SUMMARY

p. 2 ENLARGEMENT: Rescheduling rejected

The European Parliament and European Commission Vice-President Lorenzo Natali have renewed calls for Spain and Portugal's admission to the Community in 1984.

p. 3 FOREIGN AFFAIRS: Euro-Arab cooperation

Closer Euro-Arab links have been called for at a major international colloquium in Belgium, attended by EC and Arab League officials.

p. 4 BUSINESS: EC-Yugoslav relations to improve

European ties with Yugoslavia are to blossom in the New Year with the ratification of a cooperation agreement.

p. 5 TRANSPORT: Port links urged

The European Parliament has called for closer cooperation between Europe's ports.

p. 6 DEVELOPMENT: Euro-spice shop

All you ever wanted to know about the Generalized System of Preferences ... but never dared to ask!

p. 7 PARLIAMENT: European Olympics

A Greek Euro-MP wants a "Community Games" held every two years.

p. 8 AGRICULTURE: Butter or margarine?

Enter a new margarine that tastes like butter.

p. 8 RABBITS: American cousins

Will the "cottontail" fulfil European immigration requirements?

This newsheet is published in six languages (English, French, German, Dutch, Italian and Spanish) by the Directorate-General for Information of the

Commission of the European Communities,
Rue de la Loi 200 - 1049 Brussels - Belgium.
Tel.: 2351111 - Telex: 21877 COMEU B

Its contents do not necessarily reflect the official views of the Community institutions.



ENLARGEMENT: Rescheduling rejected

Does the European Community of ten member states have to resolve its internal problems and strengthen its cohesiveness before going on to a membership of twelve? Or would it be better simply to accept the new members and include them in the discussions about the future? This is the dilemma the Community is confronted with over its enlargement to include Spain and Portugal, initially planned for January 1984.

The last European Summit meeting of heads of government in Copenhagen decided to discuss the enlargement issue in March 1983. A policy decision will have to be taken then and the Vice President of the European Commission, Lorenzo Natali, who is in charge of enlargement questions, says that "there is no more time for ambiguity or disguised retreat".

The European Parliament shares his view on the issue. Following two resolutions approved in 1979 and another in 1981, a fourth resolution was adopted in November in Strasbourg. The Parliament says that Spain and Portugal are democracies and must become an integral part of the Community on January 1, 1984 as planned, "despite the problems encountered by other member states in one sector or another".

What are the problems posed by the enlargement? They basically involve the impact of the entry of agricultural products from Spain and Portugal, such as wine, fruit, vegetables and olive oil on to the common agricultural market. Another problem will be the cost of enlargement that will require an increase in the Community budget. The impact of enlargement on the agreements signed with other Mediterranean countries associated with the Community is another unresolved question.

The European Parliament thinks that all these problems can be resolved without having to delay Spanish and Portuguese entry. In the agriculture sector, transition periods of varying lengths could be planned for the most sensitive products. As far as the Mediterranean associated states are concerned, a new overall policy should be negotiated.

In any case, say the MEP's, the political importance for Europe of the accession of Spain and Portugal should be recognized by all member states.

FOREIGN AFFAIRS: Euro-Arab cooperation

Since Richard the Lionheart's crusaders and Salladin slugged it out in the Holy Land in the 12th century, Euro-Arab relations have had their ups and downs.

But in the 1980's closer links between the European Community and the Arab League countries have never been more vital to world peace and prosperity, according to the organisers of a major international colloquium on Euro-Arab cooperation, which took place in December at Belgium's Catholic University of Louvain.

Senior officials, academics and development experts from both sides met to discuss cooperation issues including the role of joint efforts to help the developing countries, the social problems of Arab workers in Europe, the political, economic and strategic advantages of closer Euro-Arab ties and, above all, oil.

Oil imports account for about 38 percent of Europe's energy needs and three quarters of them come from the Arab oil-producing countries. Last year Community member states ran up a \$75 bn bill for Arab oil and in return the Arab world absorbed more than 15 percent of European exports, making it Europe's biggest trading partner by far.

The 1973 Arab oil embargo set in motion changes in the relationship between Europe and the Arab world and in 1974 the so-called Euro-Arab Dialogue emerged. Designed to strengthen economic, political and cultural ties, its goals were similar to those of the bilateral cooperation agreements signed between the Community and individual Arab states bordering the Mediterranean.

But the Dialogue's momentum depended heavily on Egypt. When the Egyptians split from the rest of the Arab world in 1979, to sign the Camp David peace treaty with Israel, and were expelled from the Arab League, the process more or less ground to a halt.

Last year, however, the Dialogue was partially revived at a technical level between European Commission and Arab League officials. Prospects for a full resumption are promising, with Egypt looking set to return to the Arab fold. Europe's willingness to provide aid and troops for Lebanon's multi-national peace-keeping force has also generated goodwill in the Arab world.

BUSINESS: EC-Yugoslav relations to improve

European ties with Yugoslavia are to blossom in the New Year with the ratification of an EC-Yugoslav Cooperation Agreement.

Future relations will operate within the framework of the 1980 Cooperation Agreement between the Community and Yugoslavia, due to be ratified at the end of 1982. The agreement is designed to draw Yugoslavia economically closer to Europe.

Among projects proposed in the short term is a Business Week to take place in Belgrade in March, aimed at improving contacts between European and Yugoslav entrepreneurs with a view to boosting trade and investment.

Also on the agenda is a first meeting of ministers, planned for April, at which existing trade relations and future economic and technical cooperation agreed under the treaty will be discussed.

Trade between the Community and Yugoslavia is worth about £3.4 bn and accounts for about 30 percent of Yugoslavia's total foreign trade. But the Community exports twice as much as it imports and Yugoslav officials are keen to find ways to reduce their trade deficit, currently estimated at more than £1.1 bn.

Under the Cooperation Agreement Yugoslavia will get unlimited duty-free access to Community markets for most industrial products and special tariff concessions for important agricultural exports, such as tobacco, baby-beef, cherries and plum brandy.

In return European exports will get Most Favoured Nation trading status under the General Agreement on Tariffs and Trade (GATT) and improved over-land access to Greece, the newest member of the Community.

But the Cooperation Agreement is about more than just trade. It also includes a financial protocol entitling Yugoslavia to £115 m in loans from the European Investment Bank, as well as providing for extensive technical and social cooperation.

TRANSPORT: Port links urged

One of the major factors in the economic and industrial development of Europe was the large number of natural harbours which later became the hub of great trading and military empires. For centuries, Europe's bustling port cities were at the root of some of the world's most far-reaching explorations, discoveries and commercial activities.

Even in this era of high speed communications ports are called upon to play a crucial role in the competitive international trading system.

The Transport Committee of the European Parliament now wants the European Commission to examine the need for a joint Community port policy. The Committee has issued a report indicating that while road transport is the dominant means of transportation in Europe, the 1.5 bn tonnes handled by European ports are extremely important and compare favourably with the 930.7 mio tonnes carried by railways and the 658 mio tonnes shipped on interior waterways.

The Committee feels that although the Commission has decided that such a programme is not possible or necessary at the moment, many European port authorities would be interested in participating to maintain their competitive position in world markets. For the Community to remain active in world trade it is dependent on, it argues, its ports, which must be modern and efficient. It feels that while the Community countries are well-endowed with some of the world's largest and most active ports, such as Rotterdam, Hamburg, Antwerp, London and Marseilles, some of the smaller facilities need assistance. The report draws attention to the fact that partly because many of the ports are autonomous and partly because of the different practices in the various Community countries, there are many competitive discrepancies between Community ports that should be coordinated or harmonised to ensure fairness. These differences include taxes, social security and transport fees.

The Committee maintains that the development and problems of ports should figure prominently in such European Community programmes as the Regional and Social Funds, the European Investment Bank and, of course, the long-awaited Common Transport Policy. Efforts should also be made to ensure sound environmental and anti-pollution practices and to humanise the work of the declining labour force employed in the now largely automated ports.

DEVELOPMENT: Euro-spice shop

At first glance, the European Community's list of tariff preferences for Third World exports looks like the inventory of an exotic food and spice shop. Preferences are given for products like mangoes, pineapple juice, okra, dates, bay leaves, cocoa butter, soluble coffee ... and even snails. The list is long and varied enough to tempt us all.

These preferences are part of a generalised system - called the Generalised System of Preferences or the GSP - which was introduced more than ten years ago by most industrialised nations. The GSP is meant to help developing countries in their efforts to step up exports of manufactured and semi-processed farm goods to the industrialised countries.

The GSP does this by bringing tariffs down to zero for Third World exports up to a certain volume, thereby giving them a customs advantage which not only puts them on an equal footing with national industries, but also gives them a clear preference compared with products imported from other industrialised countries.

The European Community was the first to put the GSP into practice on July 1, 1971. Japan followed a month later, then Norway and several other Western countries. The United States brought its scheme into operation in January 1976.

The Community's system of preferences is currently applied to 123 developing countries, including China. It provides them with duty-free entry for all industrial products and reduced tariffs for about 324 agricultural products. The Community GSP was revised after almost ten years of operations in 1981. The new scheme makes a distinction in the treatment meted out to the least developed countries and other countries in the Third World which are well on the way to becoming significant industrial powers, such as Hong Kong, South Korea or Brazil.

The tariff reductions and quotas granted to the GSP beneficiaries also vary according to the "sensitivity" of the product. Yearly quota increases or tariff improvements, for instance, are more limited when it comes to textiles, footwear and steel, than for other "non-sensitive" products which do not compete with Community goods.

The new Preferences agreed for 1983 will give the least developed countries an even better deal, putting them on the same duty-free footing as the developing countries linked to the Community by the Lome Convention. The lists of agricultural and industrial products enjoying duty-free access to Europe have also been lengthened.

Why is the European Community so generous towards developing countries even in these days of economic recession? Because only when these countries can sell their goods to us will they earn the money to buy goods made in Europe.

PARLIAMENT: European Olympics

The European Community should organise its own Olympic Games, according to Constantinos Gontikas, a Greek Christian Democrat member of the European Parliament.

Sports are popular both with the young and the not-so-young and Mr. Gontikas feels that such a move could make European citizens more aware of being "European".

A European games, says Mr. Gontikas, could bring together sportsmen and women from all parts of the European Community and include all the different events which currently form the Olympics.

The games, he says, should begin in the Spring of 1984, the date for the European Parliamentary elections and should be held every two years in a different country. The first host country would be Greece.

So that Eurofocus can best adapt to your needs, do not hesitate to send us your criticism, suggestions and comments. If you use one of our articles, we would appreciate a mention of the source and a copy of the printed piece. Thank you.

AGRICULTURE: Butter or margarine?

It's getting harder and harder to trust one's own taste buds, nowadays. A new margarine with the same taste as butter has just been introduced. And only someone with a well-educated palate can tell the difference. This margarine has, among other things, a major advantage: it costs only half as much as butter, which bodes ill for Europe's butter surpluses.

Eisso Woltjer, a Dutch Socialist member of the European Parliament, has asked the European Commission what it plans to do about this "unfair competition".

Commission officials say that this type of margarine is already on sale in the United Kingdom. As a result, butter consumption has dropped by between 6 and 7 percent in a year. There is therefore a real danger that butter-flavoured margarine will undermine efforts to stimulate butter consumption in Europe. This presents a dilemma. It would probably be impossible for the European Commission to oppose the sale of this margarine and the choice will therefore be up to the consumer.

In any case, the consumer will not wind up being cheated. Thanks to a European Community Directive on the labelling, advertising and presentation of food products, he'll be able to make an informed choice.

RABBITS: American cousins

Will Europe welcome the "cottontail", the European rabbit's American cousin? Hemmo Muntingh, a Dutch Socialist member of the European Parliament, says that "cottontails" have the advantage of being less vulnerable than European rabbits to the disease of myxomatosis. In addition, he says, the Game Biology Institute of Göttingen has been considering the possibility of introducing the "cottontail" into Luxembourg.

Poul Dalsager, the European Community Commissioner for agriculture, has confirmed Europe's interest in the species and says that "cottontail" research is being conducted on an international scale. But any firm conclusions would be premature at the moment, since "cottontails" have still not passed all the immigration requirements.