



a newssheet for journalists

Weekly N° 7/95

20 - 27 February 1995

S U M M A R Y

2 FIGHTING FRAUD: The Commission steps up its activities ...
... even while asking the Fifteen to shoulder their responsibilities.

3 AUDIOVISUAL INDUSTRY: MEDIA II to have a budget of ECU
400 million
European Commission proposes doubling the funds in order to
reinforce the programme industry between now and the year 2000.

5 SOCIETY: The new European Social Innovation Prize ...
... will reward companies and organizations with innovative
schemes aimed at reconciling family life and work.

6 ANIMAL WELFARE: The "European law" - is the law!
The Member States are primarily responsible for ensuring it is
implemented.

7 ENVIRONMENT: Why inflict our waste on others?
The Commission proposes controls on exports from the Fifteen.

8 HEALTH: \$200 billion - gone up in smoke
This is the estimated global loss from smoking-related illnesses,
according to a World Bank study.

9 UNEMPLOYMENT: A slight fall in December ...
... to 10.8% as compared to 10.9% in previous months.

ECONOMY: The purchasing power of Australians is close to the
EU average ...
... while that of Turkey is half that of Greece.

Mailed from Brussels X

News for journalists

FIGHTING FRAUD: The Commission steps up its activities ...

... even while asking the Fifteen to shoulder their responsibilities.

The European Commission wants to give a major impetus to the fight against "Community " fraud. Its work programme for 1995, adopted recently, seems particularly extensive. But the Commission has made it clear that the fight against fraud cannot bear fruit without a clear undertaking by the European Union's Member States, particularly to adopt rigorous "European laws" in this field.

The European Commission's Unit for coordinating the fight against fraud (UCLAF) will soon have a staff of over 80. Thanks to the arrival of new blood from the directorate-generals for agriculture and customs, UCLAF will from this year be responsible for the fight against fraud in all areas, multiplying its investigations in the field.

This year the Commission wants to concentrate more than ever before on high-risk sectors, such as olive oil, beef, cigarettes, dairy products and textiles. It wants to set up specialized task forces in these sectors with national and Community experts. The work programme also calls for checks on products transiting through the EU.

More generally, the Commission wants to improve cooperation with Member States' authorities, by improving communication, particularly computerized information, as well as training, and by providing financial assistance for national anti-fraud departments.

The Commission also envisages developing the "free-phone" service it has introduced for citizens who have information they want to pass on. The number of calls already made would seem to justify its use. In addition, the EU could soon introduce payment for informers.

The Commission is insisting, however, that Member States must be the first to detect and punish fraud and at the same time recover the sums stolen from the EU budget. The Fifteen now have before them draft "European laws" which the Commission would like to see adopted by June.

AUDIOVISUAL INDUSTRY: MEDIA II to have a budget of ECU 400 million

The European Commission proposes doubling the funds in order to reinforce the programme industry between now and the year 2000.

Given that the American audiovisual industry is extremely well organized, and has more than 80% of the European market for films and 55% to 60% of the market for television programmes, it was high time the European industry was given the means to reconquer its own market and to win appreciative audiences beyond the frontiers of the European Union. The European Commission's proposal to devote ECU 400 million* over the next five years - that is, twice as much as over the last five - to promoting European audiovisual programmes is clear evidence of its determination to defend an industry which is an important vehicle of European culture.

Priority in the use of these funds would be given to promoting the cross-border distribution of European programmes (ECU 265 million). Another ECU 77 million would be devoted to helping with the production of such programmes, while ECU 58 million would be allocated to improving the training of those working in the audiovisual industry. If the EU Council of Ministers supports the allocation of these funds, to be managed under the aegis of the MEDIA II programme, the EU's financial backing should help train between 2,000 and 3,000 students and professionals by the year 2000 and ensure the distribution of around 100 films a year on the European market.

After four years of activity, MEDIA I (1991-1995) has contributed to the launching of more than 780 films, 355 documentaries, 178 cartoons and more than 200 programmes created with the help of the latest imaging technology. However, while MEDIA clearly has stimulated the production of films in Europe, many of which would not have seen the light of day without EU support, an assessment of its activities, made in 1993, nevertheless concluded that its budget was much too small in relation to the goals which had been set for it. This is why the Commission is proposing a much larger budget - ECU 400 million as compared to ECU 200 million - to be devoted mainly to the three priority sectors of training, production and distribution.

As many of those working in the audiovisual industry have little business experience, the aim is both to develop managerial skills among them and to ensure that Europeans are fully conversant with the latest technology. To this end information modules, both for beginners and for continuing learning, will be prepared and offered to schools and businesses. As regards production, the aim certainly is not to finance esoteric works, which will delight a small elite but not be a commercial success. In other words, the EU's help will be available only for works likely to have a wide appeal, both in Europe and beyond. This help will be aimed at improving the pre-production or development stage of projected works - preparing the script, securing finance, carrying out market studies and otherwise taking the steps needed to make sure that the films enjoy the success they merit.

Much of the effort will be aimed at the distribution of the finished product, as this is the weak point of the European audiovisual industry. The single market is a reality for no more than 20% of European films; the remaining 80% do not leave their home market. European productions are at a disadvantage because of the absence of cross-border distribution systems. Although Europe has more than 900 distributors, all are national. Not only are there just seven major American distributors, three of them - Paramount, Universal and MGM - have joined forces to distribute their films simultaneously throughout Europe. There is a similar absence of cooperation between distributors of European television programmes. As regards the cinema, the help provided under MEDIA II will encourage distributors located in different EU countries to take steps to finance these films jointly and to organize themselves in networks. As for television, the EU's financial support will be aimed at encouraging companies to co-produce films among themselves and with independent producers.

As for production and distribution, the EU's financial backing will be in the form of loans which do not exceed 50% of the cost of the activities in question. Support for training programmes will be in the form of grants, with a ceiling of 75% of the costs. This will also be the case as regards help with the sub-titling and dubbing of films.

* 1 ECU = UK£0.79 or IR£0.80.

SOCIETY: The new European Social Innovation Prize ...

... will reward companies and organizations with innovative schemes aimed at reconciling family life and work.

Family life is not easy when both parents work; hence the European Commission's decision to reward companies and organizations which try to do more to help parents reconcile family life and work. The European Social Innovation Prize will be awarded for the first time this year.

It will reward two types of initiatives: (1) the most effective measures aimed at striking a better balance between work and family life (for example, through such special arrangements for working hours as tele-working, career breaks, sabbatical leave, parental leave and family leave, on the one hand, and services to families, such as childcare services, workplace catering food and cleaning linen for home on the other) and (2) measures to support mobile families, including mobility package, cultural support, school aspect and spouse assistance.

A prize will be awarded in each of the following four categories: (1) multinationals and major companies; (2) small and medium-sized enterprises (SMEs); (3) "organizations", including public services and administrations, local authorities, marketing/commodity boards and associations and (4) for measures which support family mobility.

All companies and organizations operating within the European Union can take part. The final date for submitting entries to the national expert is 28 February 1995, while the final date for forwarding all the entries by the national experts to the European coordinator is 30 March 1995. The prize-winning entries will be selected by a European panel of judges, while the prizes will be awarded at a ceremony to be held in Sweden in June 1995. Each prize will consist of a study visit for two persons from the successful company or organization, in order to enable them to enrich the model experience of another company or organization of their choice.

For further information, please contact Mrs. Michèle Thozet-Theirlinck, responsible for the prize at the European Commission. Her telephone number is 32-2-299.22.79. Her fax number is 32-2-299.39.90.

ANIMAL WELFARE: The "European law" - is the law!

The Member States are primarily responsible for ensuring it is implemented.

The European Union has at its disposal a panoply of legislative measures designed to protect animals. Thus an EU directive defines the minimum amount of room which livestock must be provided in stables; another "European law" sets out the conditions for the transport of live animals to slaughterhouses, together with rules governing their slaughter. An animal welfare organization recently lodged a complaint with the European Commission regarding the methods used in some abattoirs in Greece. Dr. Franz Fischler, the EU Commissioner for agriculture and rural development, wrote to the Greek agricultural minister, inviting him to look into the case in question. Nor did Dr. Fischler rule out the despatch of European personnel to verify whether animals were being slaughtered in accordance with EU legislation.

But the EU Commissioner was equally concerned to draw the attention of Member States to the fact that it was up to them, above all, to check on the implementation of Community rules in this field, and to punish all violations of them. The Commissioner also indicated that it was in the interest of Member States to ensure that "European laws" were respected. "Failure to respect animal welfare legislation, even in isolated cases, can have serious consequences for the agricultural industry, not least due to the damage it does to the image of the sector", according to Dr. Fischler.

ENVIRONMENT: Why inflict our waste on others?

The Commission proposes controls on exports from the Fifteen.

Dangerous waste is an awkward present for the countries - often the poorest - to which it is sent. But even waste which is harmless in principle can pose problems for countries - usually in the Third World - which do not have the technical means to treat, much less recycle, it. All of which prompted the European Commission recently to propose to the fifteen European Union countries a ban on the export of waste which can be recycled to non-EU countries that do not want it.

At present waste is classified in the EU into three categories, depending on its danger level. The most toxic wastes are red, those in the medium category orange, while waste which is not a threat to the environment and can be recycled is green. Included in this third category are textiles as well as ships destined for the breakers' yard; waste from the agro-food industry; rubber and old tires; iron, steel and non-ferrous metals; paper; plastic materials; wood, cork and glass.

Since 6 May 1994 an EU regulation requires Member States to control exports of toxic waste, intended for elimination. This regulation enables the EU to meet its obligations under international law - particularly the Basle Convention on cross-border movements of dangerous waste and the OECD decision on the control of movements of waste for recycling. Given that the OECD (Organization for Economic Cooperation and Development) consists almost exclusively of rich countries, they clearly are in a position to recycle their waste.

But these international agreements contain hardly any provisions to deal with the case of countries outside both the EU and the OECD which do not have adequate installations for recycling waste. The "law" now proposed by the Commission would give these countries a say in the matter. If they refused the waste from European companies which could be recycled, its export would be banned.

HEALTH: \$200 billion - gone up in smoke

This is the estimated global loss from smoking-related illnesses, according to a World Bank study.

World tobacco production came to some 7 million tonnes in 1990, with more than 3 million deaths due to smoking each year into the bargain. The number of deaths is expected to rise to 10 million by the year 2015, as the rise in consumption in developing countries begins to make itself felt.

In order to have a clearer idea of the economic impact of smoking-related diseases and deaths, the World Bank has assessed the effects of an additional global production of 1,000 tonnes. On the basis of data provided by the U.S. Surgeon General, the country's highest authority in matters of public health, it would result in 650 deaths per year, with a time lag of 25 to 30 years, and 990 new cases of illnesses each year, of which 230 cases of cancer, 440 of cardiovascular diseases, 30 of cerebrovascular diseases and 190 cases of emphysema and other respiratory syndromes.

It is on this basis that the World Bank has calculated the likely costs, in terms of medical treatment and the economic loss resulting from incapacity to work and death, and compared them to the benefits, in terms of the smoker's enjoyment and the tobacco industry's profits. The profits, evaluated at \$2.6 million, must be set off against total costs amounting to \$29.8 million. These costs are made up as follows: \$13.2 million representing early deaths among smokers and \$11 million of indirect and \$5.6 million of direct costs linked to illnesses. The final outcome is a net loss of \$27.2 million per 1,000 tonnes of additional tobacco consumption.

If the total cost of the 7 million tonnes of tobacco produced annually in the world is calculated in this way, the total annual loss due to tobacco would come to some \$200 billion. It is a high price to pay.

UNEMPLOYMENT: A slight fall in December ...

... to 10.8% as compared to 10.9% in previous months.

Unemployment in the 12-nation European Union was marginally down last December, when it dipped to 10.8%, as compared to the 10.9% recorded between August and November, according to the latest revised estimates provided by Eurostat, the EU's statistical office. These estimates are seasonally adjusted and based on definitions valid for the EU as a whole.

After rising steadily for four years, unemployment peaked in mid-1994 at 11%. It fell slightly over a 12-month period in the 12-nation EU - from 10.9% in December 1993 to 10.8% at the end of 1994, when some 17 million people were jobless.

In 1994 unemployment fell in only four EU countries. In Britain, Ireland and Denmark unemployment fell sharply; in Spain the fall was a more modest one. The level of unemployment remained virtually unchanged in the Netherlands but rose everywhere else - slightly in most cases but more sharply in Italy.

ECONOMY: The purchasing power of Australians is close to the European average ...

... while that of Turkey is half that of Greece.

Measured in terms of purchasing power, the wealth generated by Australians in 1993 was equal, on a per capita basis, to the average for the 12-nation European Union. With the purchasing power of the 12-nation EU at 100, Australia's stood at 100.1. New Zealand was at the same level as Finland - 90.7. These are among the findings of the first such comparison to be made between the European Union and the other countries belonging to the Paris-based Organization for Economic Cooperation and Development (OECD). It was carried out by Eurostat, the EU's statistical office, and the OECD.

In terms of purchasing power Switzerland, with an index of 135.2, was far behind Luxembourg - 160.4 - and the United States - 143.6. But it was well ahead of the other EU countries as well as Japan (120.6). Canada, with 112.9, was ahead of Denmark - 112.4. Finally, Turkey (at 31.7) was at half the level of Greece (63.1), the least well-off of all the EU countries.