frontier-free EUROPE

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The challenge of the global economy for Europe

by Sir Leon Brittan, Vice-President of the European Commission

Increases in international trade have brought immense benefits both in Europe and globally over the past 50 years. The market liberalisation agreed during eight rounds of global talks has led to unparalleled growth. Since the end of the Uruguay Round, agreements to open markets in IT (information technology), financial services and telecommunications have been successfully negotiated. These agreements provide global rules in some of the world's most dynamic industries.

A global response to the crisis

However, for many it is the Asian financial crisis which has brought home the reality of globalisation. In my view, the real cause of the problems today in Asia and elsewhere is not excessive trade liberalisation, or the freeing of international financial flows, but the imperfect application of the market economy and the distortion of liberalising policies.

No economy can remain insulated from the global market place. During the first half of 1998, EU trade with most of the countries affected by the crisis underwent a significant shift. The impact of the current crisis is becoming global, therefore the response must be global too. The World Trade Organisation (WTO) has a crucial role to play here in preventing the protectionist backsliding which caused such extensive damage in the past. We should work together to keep markets open and to tackle global economic turbulence collectively. We need to convince our trading partners and civil society that the way out of the current economic crisis requires: the stimulation and expansion of trade and growth; the adoption of decisive steps to reduce the risk of protectionism and a strengthening of the multilateral system.

Increased transparency and accountability in the international finance system is an essential part of our future agenda. I strongly support clearer regulation and supervision of our financial institutions. Globalisation of our financial systems is nevertheless a crucial element for economic development.

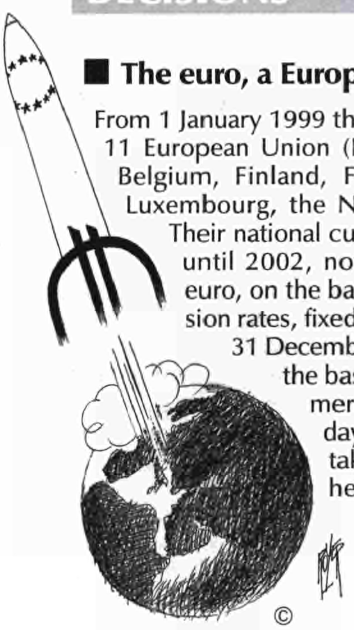
The need for further liberalisation

We have now reached the limit of what can be achieved from concluding the 'unfinished business' of the Uruguay Round. My aim is that the Millennium Round will be launched at the WTO Ministerial in the United States in November. As for the substance of a new Round, it will be up to industry to set out their views and liaise with their national administrations and the Commission on what the negotiating priorities should be.

WTO negotiations on services and agriculture are in any case due to start on 1 January 2000. On services, we shall need to work towards progressively higher levels of liberalisation and the reduction of obstacles, such as improving the rules under which a firm can establish itself in a third country. We shall also look at the prospects for extending liberalisation in sectors such as maritime and air transport. I believe that we should also push for further liberalisation of industrial tariffs. In most sectors, EU tariffs are already low while those in third countries are in many cases far too high.

There is also a common interest in developing a framework to modernise, simplify and harmonise trade and customs procedures. There are few better ways of opening new opportunities for small and medium-sized enterprises from all countries. On government procurement, more can be done in the WTO to make national practices more transparent and non-discriminatory. On competition, the absence of even a minimal international framework constitutes a major impediment to a transparent trading environment. Investment needs a comprehensive framework of international rules consistent with sustainable development. Labour standards are also an important consideration.

The global economy presents many challenges for Europe, but also many opportunities. We are in a strong position to take advantage of further liberalisation. The EU, not only governments but also business, has an important role to play in taking forward the international trade agenda, and in creating greater market opening through a new trade Round.



The euro, a European currency

From 1 January 1999 the euro is the common currency of 11 European Union (EU) countries. They are: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. Their national currencies, which will remain in use until 2002, now represent subdivisions of the euro, on the basis of firm and irrevocable conversion rates, fixed by the EU Council of Ministers on 31 December 1998. These rates were fixed on the basis of the rates for the ecu, the former European currency unit, on that day in the exchanges of the countries taking part in the euro. One euro was held to be equal to one ecu.

©

1 euro (EUR) =	13.7603	Austrian schillings
=	2.20371	Dutch guilders
=	40.3399	Belgian francs
=	5.94573	Finnish markka
=	6.55957	French francs
=	1.95583	German marks
=	0.787564	Irish pounds
=	1 936.27	Italian lira
=	40.3399	Luxembourg francs
=	200.482	Portuguese escudos
=	166.386	Spanish pesetas

The euro was introduced on international financial markets on 4 January 1999, the first working day after it was created.

The fifth research programme on track

Companies, universities and research centres in the European Union can start furbishing their arms. The EU Council of Ministers adopted on 22 December 1998 the fifth framework programme of research, which will run from 1999 to 2002. The EU will contribute a total of EUR 14.96 billion towards the cost of the programme. The Council adopted, at the same time, the specialised programmes which together make up the framework programme. Four of them cover specific areas of research. The first of them deals with the quality of life and management of living resources. It includes food, nutrition and health in particular. The second — a user-friendly information society — includes electronic commerce and educational multimedia. The third — competitive and sustainable growth — covers the modernisation of traditional industries, intermodal transport and the aircraft of tomorrow. The fourth specialised programme is devoted to energy, the environment and sustainable development, and covers energy conservation, sustainable water management, the city of the future and preserving Europe's cultural heritage. Another three specialised programmes deal with the training and exchange of researchers; the participation of small and medium-sized enterprises (SMEs); the utilisation of the results of the various research projects, and cooperation with the rest of the world. These activities will be carried out jointly by private and public bodies in the various EU countries. In addition, the European Commission's own research laboratory, the Joint Research Centre, will carry out projects ranging from food to nuclear safety, and including the environment.

Fighting private sector corruption

Both active and passive corruption will soon become a criminal offence in all EU Member States. The EU Council adopted a joint action on 22 December 1998, which requires Member States to ensure that their own laws are in keeping with this joint action. The Council adopted a definition of corruption in the private sector which covers all cases involving a person who works in a company and who requests or receives an undue advantage, in exchange for which he acts in a certain way, in breach of his duties. The Council's decision complements action already taken in the fight against all forms of corruption: it had already adopted measures against corruption involving officials, both national and European. Corruption in business distorts competition and hampers the proper operation of the EU single market.

Telecoms: UMTS for 2002

By 1 January 2002 at the latest the universal mobile telecommunications system (UMTS) should be available throughout the EU. The successor to the GSM, it will allow people to make telephone calls, consult the Internet and transmit data by wireless. The EU Council decision of 1 December, which set the 2002 deadline, also requires Member States to introduce an authorisation system for UMTS services before 1 January 2000. Member States facing exceptional technical difficulties will be able to obtain a year's extension. The European Commission, in association with the Member States, must give a mandate to the European Conference of Postal and Telecommunications Administrations (CEPT) to harmonise frequency use. It will also take steps to promote a common standard to ensure the operation of UMTS services throughout Europe.

EUR 2 billion in loans

A framework programme to borrow EUR 2 billion was concluded on 5 January 1999 by the European Commissioner for economic and monetary affairs, Yves-Thibault de Silguy, with 12 major international banks. The funds will be used to finance loans which the EU grants third countries. Since 1998 the market for euro-denominated loans has exceeded EUR 100 billion. Since 1 January 1999 the national debt of the countries belonging to the euro, and some private debts, have been converted into euro. The bond market in euro has thus become one of the world's biggest financial markets, accounting for some EUR 3 300 billion.

Regional aid ceilings

Regional aid to businesses, granted by EU Member States between 2000 and 2006, will have to be limited to 42.7 % of the EU's total population. This is four percentage points below the current level. A decision to this effect was taken by the European Commission on 16 December, in the framework of controls on State aid in the context of competition policy. In Ireland, Greece and Portugal regional aid will continue to be available throughout their territories. Elsewhere the following ceilings will apply: Austria — 27.5 %; Belgium — 30.9 %; Denmark — 17.1 %; Finland — 42.2 %; France — 36.7 %; Germany — 34.9 %; Italy — 43.6 %; Luxembourg — 32 %; Netherlands — 15 %; Spain — 79.2 %; Sweden — 15.9 % and the UK — 28.7 %.

CONSUMERS' RIGHTS IN THE EUROPEAN UNION

Why do we need consumers' rights at the European level?

The single market is bringing many direct and indirect benefits to Europe's consumers, not least more choice and lower prices for many products and services. But consumers have to have confidence in the single market if it is to live up to expectations, and know that the products traded across borders live up to standards they have come to expect, or they will not buy them. Consumers' rights are therefore a vital buttress to the single market.

Member States have gradually developed consumer policies and, to a greater or lesser extent, brought in their own regulations. At the same time, consumers have derived great benefit from the creation of the single market. But consumers also have an active role to play in making sure the single market is working properly; they can inform the relevant authorities of any problems they encounter, and in this way their specific interests or complaints will be taken on board.

All this does not mean that Community policies have effectively taken over from national rules, they are simply intended to complement them as markets take on an increasingly European dimension. Common standards for product safety, on distance selling, labelling and others have been introduced to reassure consumers that they are getting a high quality product, wherever it comes from, and that goods are able to move freely across the single market without obstruction.

What are my rights as a consumer in the single market?

The Community has focused on the following core areas when protecting the rights of Europe's consumers:

• First, the protection of consumers' health and safety. Legislation on 'general product safety' has been adopted which introduces a general safety requirement designed to prevent the marketing of dangerous products. This legislation complements and provides an overall cover for the setting of safety requirements for particular kinds of products and for making sure that full information about potential risks is displayed.

Thus the existence of Community rules laying down standards on flammability of materials in furniture and others minimising physical risks to children for all toys made since 1990. Rules have also been agreed on the testing, registering and display of pharmaceutical, medical and cosmetic products, and all animal-tested cosmetic products will be banned as soon as alternative test methods have been found. There are also Community rules governing household gas-burning appliances and, in the same vein, mandatory health controls and labelling requirements for food and agricultural products.

• Second, it is looking to protect consumers' economic interests. This has resulted in a Community-wide ban on misleading advertising, with the onus now on the advertiser to prove that the information it has provided is correct; a directive outlawing unfair terms in contracts with consumers; another directive protecting the consumer in 'distance selling' situations, where television marketing, telephone or mail ordering are used; and a directive which guarantees more transparency and efficiency in cross-border transfers. Another instrument, concerning guarantees and after sales service, is under discussion and should facilitate cross-border transfers.

An instance of the Community protecting the economic interests of consumers is the right to a minimum one week 'cooling off' period for any deal negotiated with a salesman away from his/her business premises. During this period you are free to withdraw from the purchase agreement without difficulty. Doorstep salesmen are also obliged to inform you of this right.

• Third, consumers have the right to comparative information. Hence the emphasis on packaging and labelling, including, where appropriate, information on pricing, safety, ingredients, colourings, sweeteners and additives and 'best before' markings, amongst others.

Thus, to make it easier for consumers to compare prices and the value of packaged goods, a new directive requires shops to mark items for sale with unit prices, by weight or volume, for instance. The idea is not to harmonise the way in which certain products are sold but to ensure that the relevant prices are clearly visible and to simplify the present rather patchwork system.

The European Commission also supports consumer organisations in carrying out regular price surveys and comparative tests of products, which receive wide media coverage not only in consumer publications but also in national newspapers.

• Fourth, the right to redress. If you as a consumer need advice or help when seeking redress for a faulty product, for injury or damage resulting from using a product, then simple and rapid procedures need to be put in place. The EU has taken steps to do precisely this.

How should I know which products have been classified as safe by the Community?

In theory, all products circulating in the single market should be safe, as they are covered by both national and European standards. Prior to the single market there were standards for national or European markets, but this distinction will disappear, except for the very smallest producers selling only to local markets. With common 'essential' requirements laid down for packaging, labelling and safety, European standards or the mutual recognition of national standards, consumers throughout the Community can rest assured of a high quality product.

In some cases, the Community 'CE mark' is one method of ensuring that a product has conformed with these common standards. National governments can, however, ban any product they think to be unsafe, even it carries the CE mark. They must then tell the European Commission why they have done this. If, after consulting all those concerned, the Commission finds the action is justified, it will tell all other Member States. If, on the other hand, the action is reckoned to be contrary to the Community rules on free trade, the case could then be taken to the European Court of Justice.

Therefore there is the possibility that national and Community standards do not overlap, or that a Member State feels its own standards are higher than others, and that its consumers are threatened by lower quality products. This generally occurs when the relevant European standard does not yet exist. In this case national standards can generally be used as a transitional arrangement until the Euro standard is agreed.

How do I go about seeking redress from a producer/supplier based in another Member State?

The right to get your money back or receive compensation is a vital consumer safeguard. It is important to remember that, as a consumer, you have rights that can be used. The first option is to complain to your dealer, manufacturer or service provider. If this proves futile, contact your local consumer organisation, arbitration boards responsible for the domain in question, business watchdog or anti-fraud agency in your area.

For questions with cross-border implications you can also contact one of the European Consumer Information Centres whose staff are experts in the field of European consumer law, and who distribute folders and brochures on the subject of consumers' rights.

Telephone numbers of European Consumer Information Centres

Bolzano (I) (39-0471) 98 09 39
Barcelona (E) (34) 933 30 98 12
Dublin (IRL) (353-1) 809 06 00
Gronau (D) (49-256) 270 20
Kiel (D) (49-431) 971 93 50
Lille (F) (33) 328 82 89 00
London (UK) (44-171) 833 21 81
Luxembourg (L) (352) 49 60 22
Montpellier (F) (33) 467 92 63 40
Patras (EL) (30-61) 27 63 60
Vitoria (E) (34) 945 18 99 48

Only rarely is it in the consumer's interests to go to court, for example against a dishonest seller. This route can be expensive, and the outcome uncertain. This is particularly true of cross-border disputes, for, while European law gives you certain rights in all Member States, the legal systems themselves remain different. Despite this, all is not lost, as many countries have established simplified procedures for small claims, out of court procedures, mediators and ombudsmen for different sectors (especially for public services). The European Commission supports these developments. Recently, following its proposal, the Community proposed a directive making it easier for consumer organisations to have access to the courts of other Member States.

Consumer affairs have become steadily more important as the single market has been put into place. Through the legislation briefly outlined above, consumers in the EU have a certain number of rights.

Other challenges also lie ahead: the question of consumer rights in relation to so-called universal services (such as water and electricity supply, and access to health and transport services) and also in the vast domain entitled the 'information society' figure among the priorities for EU consumer policy in the coming years.

eurostat

KEY FIGURES

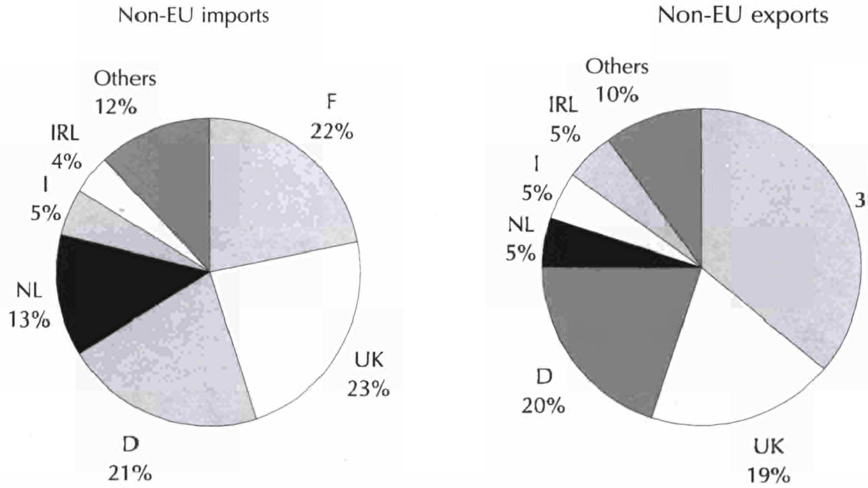
Data Shop Eurostat Luxembourg
tel. (352) 43 35 22-51 — fax (352) 43 35 22-221

High-tech goods
Reduction in the EU's trade deficit

Between 1995 and 1997, the EU's external trade in high-tech goods was in the red, but the deficit almost halved over the period, from ECU 18.9 to ECU 9.9 billion

More than three-fifths of the EU's imports are destined for the United Kingdom, France and Germany (23%, 22% and 21% respectively). Exports of high-tech manufactures are worth ECU 61.6 billion. Three-quarters are accounted for by France (36%), Germany (20%) and the United Kingdom (19%).

The EU's external trade in high-tech goods, 1997 (%)



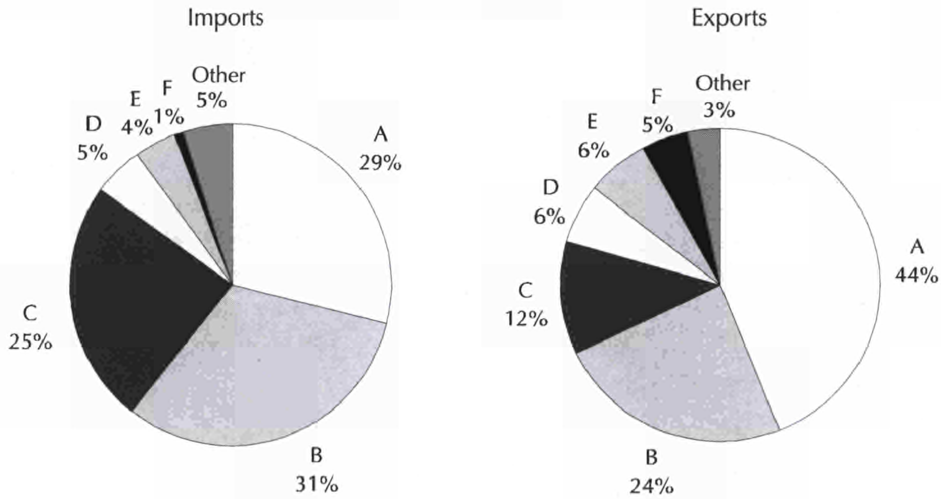
The EU's external trade in high-tech goods, 1997 (billion ECU)

	BLEU	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK	EU-15
Imports	26.6	30.3	25.4	22.6	19.9	27.7	19.1	24.1	23.5	32.5	26.7	15.5	25.5	32.9	23
Exports	29.7	34.3	29.4	20.7	21.9	30.6	19.9	24.6	25.3	31.6	29.7	20.7	32.8	36	28
External balance	-0.8	-0.1	-2.1	-0.20	-0.5	5.2	0.2	-0.2	-6.2	-0.2	-0.2	-0.2	0.1	-4.7	-9.9

In 1997, the sectors in which the EU recorded its biggest external trade surpluses were the aerospace industry (ECU 6.3 billion) and telecommunications (ECU 2.3 billion)

Aerospace products make up 44% of the EU's high-tech exports. 31% of its high-tech imports are general electronic goods, 29% aerospace products and 25% computers and office equipment.

Structure of EU trade, by type of goods, 1997 (%)



Structure of the EU's external trade by type of goods, in billion ECU, 1997

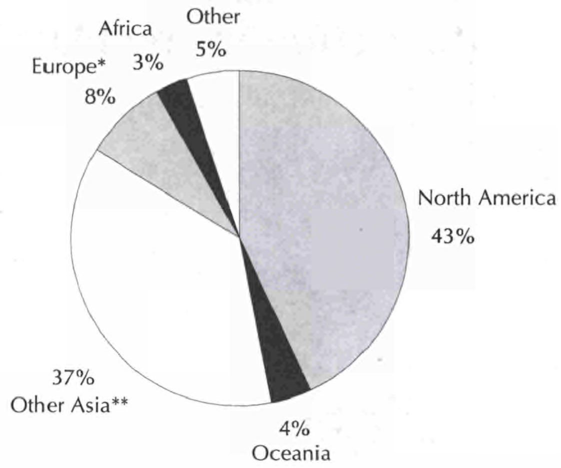
	A	B	C	D	E	F	Others	Total
Exports	27.0	14.7	7.2	3.8	4.0	2.9	2.0	61.6
Imports	20.7	22.5	17.6	3.5	3.1	0.6	3.5	71.5
Balance	6.3	-7.8	-10.4	0.3	0.9	2.3	-1.5	-9.9

A Aerospace products; B General electronic goods; C Computers and office equipment; D Machinery; E Scientific, medical, optical instruments, prostheses; F Telecommunications.

43% of the EU's high-tech imports come from North America and 37% from the "Other Asian countries"

The United States alone supplies the EU with 40% of its imports of high-tech goods, valued at ECU 28.8 billion. In second place is Japan, with ECU 8.3 billion, or 12% of the total.

Sources of EU imports, 1997 (%)



Main sources of EU imports, in billion ECU

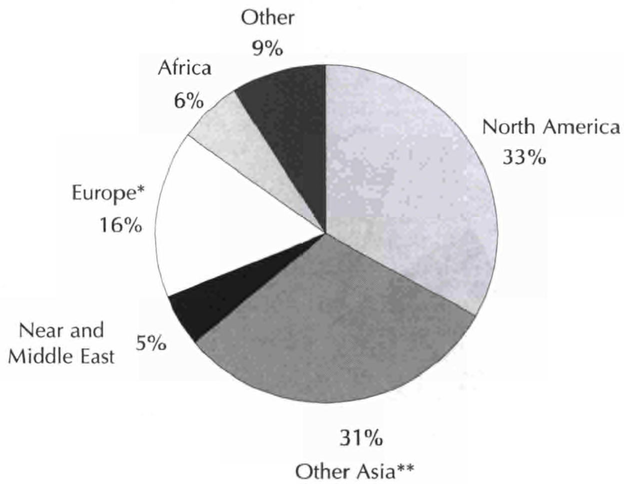
	1	2	3	4	5	6	7	8	9	10	11	World
1996	23.3	7.5	2.7	2.6	2.5	2.4	1.9	1.9	1.3	1.1	47.1	60.3
1997	28.8	8.3	3.5	3.3	3.0	2.7	2.5	2.0	1.9	1.3	57.3	72.0
Share of total. 1997 (%)	40.3	11.6	4.9	4.7	4.2	3.7	3.5	2.8	2.7	1.8	80.1	100.0

1:USA; 2: Japan; 3: Singapore; 4: Taiwan; 5: Malaysia; 6: Switzerland; 7: South Korea; 8: Canada; 9: China; 10: Hongkong; 11: Total of these 10
* Other than EU; ** Other than Near and Middle East

In 1997, 33% of the European Union's exports of high-technology manufactures went to North America, 31% to the "Other Asian countries" and 16% to "Other European countries"

Looking at the EU's exports by country of destination, the United States is the EU's biggest customer, to the tune of ECU 18 billion, or 29.2% of the EU's high-tech exports (13% of its total exports). In second place, albeit far behind, is Switzerland, with ECU 3.3 billion, or 5% of the EU's high-tech exports

Destination of EU exports, 1997



Main customers for EU exports, in billion ECU

	1	2	3	4	5	6	7	8	9	10	11	World
1996	14.5	3.2	2.2	2.3	1.2	1.3	0.9	0.6	1.7	1.8	29.6	52.6
1997	18.0	3.3	2.4	2.4	2.4	2.3	1.8	1.8	1.7	1.7	37.8	61.6
Share of total. 1997 (%)	29.2	5.4	3.9	4.0	3.8	3.7	2.9	2.9	2.8	2.8	61.5	100

1:USA; 2: Switzerland; 3: Japan; 4: Singapore; 5: Canada; 6: China; 7: Taiwan; 8: Philippines; 9: Malaysia; 10: Hongkong; 11: Total of these 10
* Other than EU; ** Other than Near and Middle East

☐ IN BRIEF

Work-linked vocational training now has a **European** dimension to it. Thanks to the system of European training pathways, adopted by the EU Council on 20 December 1998, it will be possible to undergo such training in several EU countries — and to have it count towards the qualification or diploma in question. Those enrolling for work-linked training, including apprentices, will receive a document called Europass, indicating the training periods and their contents, and guaranteeing their recognition. Each Member State will appoint one or more bodies to implement this scheme, for which a reference amount of EUR 7.3 million has been agreed, for the period from 2000 to 2004.

All EU **energy** programmes to be implemented between 1999 and 2002 have been brought together within a framework programme, adopted by the EU Council on 14 December 1998 and allocated a total of EUR 170 million. The Council gave the green light at the same time to four of the six specific programmes provided for under the framework programme: SURE (nuclear safety); Carnot (promoting the use of 'clean' coal); ETAP (studies and forecasts) and Synergy (cooperation with non-EU countries).

The total financial support to be extended by the EU for **consumer protection** between 1999 and 2003 is contained in a framework programme adopted by the EU Council on 21 December 1998. With a financial framework of EUR 112.5 million, the programme will help consumer organisations and finance pilot projects, particularly studies, and consumer education and information. The aim is to allow consumers to benefit fully from the single market.

From 1 July 1999 at the latest, all EU Member States will have to **ban the use of four antibiotics** in animal feed. This is because eating meat from animals given these substances can result in a resistance to antibiotics. The four are: bacitracin zinc, spiramycin, virginiamycin and tylosin phosphate. A decision to this effect was taken by the EU Council on 17 December 1998. People who eat meat from animals fed these antibiotics run the risk of developing a resistance to antibiotics in the event of illness.

Safer use of the Internet, especially for children, is the aim of an action plan adopted by the EU Council on 21 December 1998. It has a budget of EUR 25 million and runs from 1999 to 2002. The plan will make it possible to set up a European network of 'hotlines', to allow Internet users to report content they consider to be illegal. It will encourage the creation of quality labels for Internet service providers and promote filtering and rating systems. The plan also provides for activities to create awareness among parents and teachers.

Intentionally participating in the **activities of a criminal organisation,** even by providing legal or financial advice, will shortly become a criminal offence in all EU Member States. The EU Council adopted on 20 December 1998 a joint action which requires all Member States to adapt their legislation along these lines. The decision provides a definition of what constitutes a criminal organisation and participation in it.

Two regulations modernising **proceedings in the case of arrangements to restrict competition** were adopted by the European Commission on 23 December 1998. The first of these provides for the tape recording of statements made during hearings, while the second extends to the transport sector — the rules of procedure already in force in other sectors — that requests to companies for information are made only once, for example.

National civil servants, managers of associations and academics can study the problems which **asylum seekers** present the EU, thanks to the 49 projects selected by the European Commission on 11 December 1998. A total of EUR 3 million has been earmarked for these projects under the Odysseus programme. The subjects for study include Kurdish refugees, false documents and unaccompanied minors. The programme also provides for exchanges of civil servants.

All the obstacles, whether real or potential, to the **free movement of seeds** in the European Union will disappear, thanks to changes to the seven directives which apply to this sector, adopted by the EU Council on 15 December 1998. The text also covers genetically modified plant varieties and plant genetic resources.

The EU's **statistical programme** for the years 1998-2002 was adopted by the EU Council on 22 December 1998. It will be carried out jointly by the European Commission and the Member States. The programme will give priority to economic and monetary union, competitiveness, growth and employment, and future enlargements of the EU.

Austria, Finland and Sweden can continue to restrict the marketing of fertilisers containing certain levels of cadmium until 31 December 2001, according to an EU Council decision of 15 December 1998. Such restrictions were in force in the three countries before they joined the EU in 1995. The Council acted as it did because it has not finished reviewing its own measures, which are less strict than those in force in the three countries in question.

● Simplifying social security rules

Social security rules which apply to people who move from one EU country to another have become very complicated. They are not always clear and have gaps, as is evident from the numerous disputes between those covered by social security schemes and the paying authorities. This is what prompted the European Commission to submit to the EU Council on 23 December 1998 a regulation that would both simplify and reform the coordination of national schemes. This text covers not only sickness, maternity and disability benefits — including occupational diseases and accidents at work — but also retirement and early retirement pensions, unemployment benefits, family allowances and payments in the event of death. The Commission's proposal applies to all persons, without exception, who are covered by a Member State's social security legislation. Under its provisions they are covered by the legislation of a single Member State. The proposal affirms the principle of equality of treatment, regardless of nationality, and stipulates that when benefits are being calculated, all periods of insurance, residence or employment — as the case may be — accomplished in the EU must be added together.

● Banks and euro conversion charges

For the European Commission, it was not possible to judge the behaviour of the banks when converting national currencies into euro, and vice versa, immediately after the single currency was launched in January. In any case, the information provided by the banks and other financial institutions before the birth of the euro looked positive on key matters, according to a report published by the Commission on 8 December 1998. The banks showed a willingness in fact to follow the Commission's recommendations, under which they should not charge for converting accounts held in national currencies into euro, nor for crediting or debiting in euro an account held in a national currency — and vice versa. The report highlights two matters on which the banks' position does not seem entirely clear: the information provided to customers, on the one hand, and the conversion of coins and banknotes as from 1 January 2002. The report is available on the Internet (http://europa.eu.int/comm/dg15) and can be requested by fax: (32-2) 295 07 50.

● VAT: for an obligatory tax bracket

The standard rate of VAT currently ranges between 15 % — in Luxembourg — and 25 % (the Danish and Swedish rates). But only the 15 % minimum rate results from a European directive. In order to prevent the gap from widening, the European Commission proposed to the EU Council on 23 December 1998 that the present 25 % ceiling be also made the subject of a directive. This would give force of law to the political undertaking not to widen the gap between their standard VAT rates, given by the 15 Member States in 1996. For the Commission, this is also a first step towards a further approximation of rates within the EU, in the prospect of a definitive European VAT system. It should be pointed out that the arrival of the euro is highlighting the differences in VAT rates within the EU.

IN BRIEF

Radio frequencies are becoming a rare commodity. Supply is failing to keep up with a demand which is rising and becoming global. How, and on the basis of which criteria, should frequencies be allocated to the various services demanding them, particularly telecommunications and the transport and audio-visual industries? Is there a need for greater European harmonisation to replace analogue mobile telephones and television with digital? The European Commission is asking these and other questions in a Green Paper published on 9 December 1998. All interested parties can send their comments by e-mail (spectrum.greenpaper@bxl.dg13.cec.be) or fax (32-2 296 83 95).

On 4 January 1999 the **London and Frankfurt stock exchanges** effectively launched the alliance they had announced last July. Each stock exchange offers its members automatic access to the quotations of the other. For their part, the three **Benelux stock exchanges** — Amsterdam, Brussels and Luxembourg — signed a collaboration agreement on 14 December 1998, which makes it easier for their members to access each other's markets. There is also a proposal for a Europe-wide market.

The European Commission on 4 January 1999 called on the 15 Member States to facilitate and accelerate the procedure for authorising projects of common interest in the field of **trans-European energy networks.** Several projects are being held up or delayed in the absence of the necessary authorisations.

With a view to the time when the Amsterdam Treaty comes into force, the European Court of Justice adopted on 4 December 1998 a **method for the uniform citation of articles of the various European treaties.** The Amsterdam Treaty provides for a renumbering of the articles of the treaties it includes — those setting up the EU, EC, ECSC and Euratom. In order to avoid confusion, the Court plans to give the new number of each article, followed by an abbreviation of the treaty in question and the former number.

SEEN FROM ABROARD

▶ Washington welcomes the euro...

'We welcome the launch of the euro, an historic step that 11 nations in Europe have taken toward a more complete economic and monetary union. A successful economic union that contributes to a dynamic Europe is clearly in our long-term interests,' President Bill Clinton declared on 4 January 1999. The Treasury Secretary, Robert Rubin, noted that same day, 'If it's good for Europe, it's good for the United States.' He added, 'The euro underlines once again the importance for us ... of ensuring that the United States remains a place where people want to invest their capital.' According to Fred Bergsten, director of the Institute for the International Economy in Washington, 'the euro will rather quickly start to rival the dollar as an international reserve instrument.' The former president of the Federal Reserve, Paul Volcker, was more cautious. He saw the euro emerging as a competitor to the dollar, but 'this would be some time down the road, and there's bound to be a certain amount of uncertainty connected with the euro.'

▶ ... as does Japan

'The euro has got off to a very good start,' the Japanese Prime Minister, Keizo Obuchi, declared in Bonn on 12 January 1999. 'I hope that the euro will have a stable development, and will be as strong as the dollar,' he said, adding 'the European currency has opened a new chapter in history. So far the dollar has had the main role. The European currency is very important for the stabilisation of the international financial situation ... It is desirable that the dollar, the euro and the yen remain three key currencies.' During a visit to Brussels the Japanese minister for international trade and industry, Kaoru Yosano, congratulated the EU on 7 January 1999 for launching the euro. He hoped it would contribute 'to the development of trade and monetary stability.'

IN BRIEF

'A euro which develops favourably in the coming years, and becomes as seductive as one can hope, with rather low long-term interest rates and a satisfactory development of its exchange rate vis-à-vis the dollar, would represent an argument in favour of **Switzerland's** membership of the European Union,' according to Bruno Gehrig, of the National Bank of Switzerland, speaking on 4 January 1999. Two days later the new President of the Swiss Confederation, Ruth Dreifuss, described EU membership as one of the two priorities of Swiss foreign policy.

'The introduction of the euro ... will have a considerable effect on economic relations between the EU and its main trading partners, including Russia,' the spokesman for the **Russian foreign ministry** declared on 6 January 1999. 'The integration of the financial markets of the European monetary union will give its partners, including Russia, wider access to commercial loans.'

A great deal of additional information on the European Union is available on the Internet.
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