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frontier-free EUROPE

The liberalisation of public utilities in the European market

by Frits Bolkestein, Member of the European Commission

Public utilities face far-reaching changes at the start of the new millennium. The European single market has new requirements, while the role of governments, more often than not, is no longer one of ownership but of supervision. The opening-up of the market is leading to reorganisation at the European level. The process can be called a 'buyout' or a 'merger'. Whatever the term used, the truth is that firms that do not wish to take part in the liberalisation process will become antiquated. This cannot be the goal of public services.

The case against liberalisation

The three arguments advanced by the opponents of European privatisation and liberalisation are inconclusive. The first of these is based on fear. Two trains collide in the United Kingdom and it is immediately assumed that the accident is a consequence of privatisation, which is held to be contrary to safety. This is nonsense. Most railway accidents in the world occur on State-run systems. Aeroplanes are also involved in accidents, but no one has argued that airlines should therefore be nationalised.

The second argument — 'we'll be stripped bare' — is sentimental. Foreign companies, it is claimed, enter the domestic market in order to reap the benefits. This argument is not only outdated but also dangerous. In a frontier-free Europe, public utilities must operate in the single market. These firms are no longer strictly national; nor are their shareholders. The quicker they adapt to the European single market, the better for them.

The third false argument involves protection — reciprocity. A European Union Member State declares its market open to other Member States, but only to the extent that they open up their markets. The argument is all the more dangerous because it seems self-evident. It leads inevitably to a form of 'bilateralism' between Member States, and ultimately to the fragmentation of the single market. Reciprocity quickly becomes an indirect way of stopping liberalisation. That would be deadly.

The same rules for everyone

What is unique about the single market is that it is the integrated market of a Union. The rules are the same for everyone, and the European Commission ensures that they are respected. Reciprocity cannot easily be reconciled with European law because it goes against the principle of non-discrimination embodied in the Treaty establishing the European Community. All forms of reciprocity must invariably be sanctioned and carefully conditioned by European lawmakers, as has been done through the electricity directive.

As the European Commissioner responsible for the single market, I have the power to eliminate obstacles to the free movement of capital and to freedom of establishment. In addition, I make sure that tenders and contracts are awarded on the basis of competition. I do this by launching infringement proceedings against Member States that violate these rules. At present, their numbers run into hundreds. The European Commission strictly monitors the observance of Community rules.

Electricity — an example

The European Commission will ensure that the liberalisation of the electricity sector takes place according to the rules. The European electricity directive came into force on 19 February 1999. The liberalisation process is recent and promising. The liberalisation of the British electricity market, which took place 15 years ago, has been very advantageous. Industrial consumers saw electricity prices fall by one third and small consumers saw them fall by a quarter. At the same time, there is an assured supply of electricity and public interest is preserved. It is the United Kingdom, followed by Germany, which has done most to open up its market.

This opening-up of domestic markets is a good thing. However, the European Commission must keep a close watch on the wave of mergers and the resulting concentration of power, as otherwise monopolies will form, and we shall be 'out of the frying pan and into the fire'. Liberalisation is not aimed at transforming public monopolies into private ones, which is why the authorities must ensure that electricity production is kept quite separate from the management of the distribution network. If not, local electricity companies could well exclude, de facto, certain electricity suppliers from the network.

We can have confidence in liberalisation. It is very important from the viewpoint of public utilities and the economy as a whole that the liberalisation process continues to run its course in Europe, and that Eurosceptics look at the facts rather than give in to their feelings (*).

(*) Taken from a speech to the Dutch Elektriciteitsbedrijf Zuid-Holland.

European Commission
FEBRUARY 2000
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ENLARGEMENT: 13 CANDIDATES ...

In all, 13 countries are currently seeking to join the European Union (EU). At the Helsinki Summit on 10 and 11 December, the EU Heads of State or Government decided to open entry negotiations with another six countries. They are Bulgaria, Latvia, Lithuania, Malta, Romania and Slovakia. These negotiations are scheduled to begin in February. The Helsinki European Council also granted Turkey the status of candidate country. As such, it will also benefit from the pre-entry strategy drawn up by the EU to help candidate countries to adapt to its political and economic standards. The European Council did not schedule entry negotiations with Turkey, as it does not meet EU criteria for democracy, human rights and the rights of minorities. Six countries are already in the midst of entry negotiations. They are Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia.

... AND FRESH REFORMS

In order to ensure the effective operation of an enlarged Europe, the EU decided on the principle of further reforming its institutions. This consists of modifying the Amsterdam Treaty, the European 'Constitution'. At Helsinki, the European Council agreed that an intergovernmental conference (IGC) of the Member States, which would have the task of drawing up these reforms, would hold its first meeting in early February and complete its work by December at the latest. The Member States will then have to approve the changes agreed to by the IGC. This should enable the EU to welcome its new members as from the end of 2002. As for the reforms themselves, the Helsinki Council decided that they would basically deal with the questions left to one side when the Amsterdam Treaty was adopted. They include the size and make-up of the European Commission, the weighting of votes and the possible extension of qualified majority voting in the EU Council of Ministers.

■ Moving goods by rail

A rail network which can efficiently transport goods across Europe, is more competitive, and therefore better placed to satisfy its customers, is the aim of a series of measures approved by the European Union Council of Ministers on 10 December. They include three directives, now before the European Parliament, and the conclusions which complement them. The key features of this railway package include the introduction of a harmonised system of price setting for infrastructure usage based on transparent and non-discriminatory principles as well as guaranteed access rights to the trans-European railway freight network. Complementing these measures is a strategy designed to improve railway interoperability and reduce bottlenecks. In practice, the first of the three directives provides for separate profit and loss accounts and balance sheets for infrastructure management, on the one hand, and the supply of transport services, on the other, with the latter separated into passenger transport and freight transport. The text clearly defines a trans-European railway freight network, including access to terminals and ports. It guarantees railway undertakings access on equitable conditions. As regards safety, the directive requires EU Member States to ensure that bodies independent of railway undertakings lay down safety standards, certify railway undertakings and rolling stock, and investigate accidents. The second directive extends the provisions of the existing licensing system to the vast majority of railway companies. The third directive sets out the terms of access to the infrastructure, which have their limits, and provides for a conflict settlement procedure. In its conclusions, the Council calls on the European Commission to identify and define the bottlenecks affecting the development of international rail freight.

■ Cross-border electronic commerce

Firms as well as the professions will soon be able to offer on-line services related to the information society freely and throughout the EU. These services range from the provision of information to consultations, investments and audiovisual programmes. But those providing such services will have to comply with the laws of the Member State in which they are established. The latter will be responsible, in fact, for monitoring their activities. These are the basic principles of a contents directive which the EU Council of Ministers approved on 7 December. It will be definitively adopted after the European Parliament has looked at it. The directive sets out certain ground rules in order to ensure that the national laws of all Member States allow for the proper development of electronic commerce. Thus, Member States will no longer have the right to impose special authorisation procedures on on-line services if similar schemes do not apply to equivalent non-electronic services. Service suppliers, for their part, will have to display clearly their address and telephone and registration numbers and, if need be, their VAT number and professional authorisation. Member States will no longer be able to ban members of the professions from having Internet sites; but the latter will have to meet certain ethical rules. Nor will Member States be able to limit the on-line conclusion of contracts, although consumers will have the right to be correctly informed. Moreover, intermediaries whose role is limited to forwarding information will no longer be held liable. This directive, which complements other European legislation, should stimulate electronic commerce, which currently amounts to some EUR 17 billion, but is expected to reach EUR 340 billion in 2003.

■ 753 vocational training projects

Nearly 10 300 students will be able to undergo training in a firm located in another European country, thanks to the latest projects to be selected within the framework of the EU's vocational training programme, Leonardo. The European Commission decided on 20 December to co-finance 753 projects out of the 2 170 which it received. The EU's total contribution will amount to EUR 94.8 million (EUR 1 = GBP 0.62 or IEP 0.79), and will come from the 1999 budget. Of this amount, EUR 27 million is to be devoted to organising exchanges of students and training officers, and placing them, while the balance of EUR 67.8 million is being used for pilot projects designed to test innovative vocational training schemes. Participants come not only from the EU but also from the other European Economic Area (EEA) countries – Iceland, Liechtenstein, and Norway – as well as from the EU's 11 associate countries – 10 central and east European countries plus Cyprus.

THE CUSTOMS UNION (II) (¹)

The single internal market serves as an engine for greater harmonisation in a variety of customs and non-customs areas. As a consequence of this economic integration, not only has the Community become the world's most important trading partner with third countries, but also intra-Community trade has grown considerably. The single market, securely based on the customs union, is the foundation on which EU initiatives on policies for growth, competitiveness and employment can be based. The single market serves as a catalyst in the strategy for economic expansion of the EU. This would not be possible without the existence of the customs union and its principle of free circulation of goods.

The leap into the single market

Before the single market, free circulation of goods within the Community was not a reality. Numerous customs border formalities were still in existence, for example because of the way of collecting VAT and excise duties and for statistical purposes. Before 1993, all hauliers were stopped at the internal Community borders for customs and tax clearance, and even inspection. Long queues of trucks at customs posts hindered intra-Community trade and cost EU trading companies large amounts of time and money. Customs legislation, though already harmonised, was not applied in a uniform way. Despite the absence of customs duties in trade between the Member States, there was little difference, in fact, in the administrative burden or appearance between intra-Community trade and trade with non-member countries – the same was essentially true for travellers. Customs clearance at the Community's internal frontiers was elaborate and time-consuming. The constant flow of new Community and national laws, regulations and standards for health and consumer protection, etc., was formerly enforced by the customs services at the internal borders, because those were there anyway. The first step in achieving a real internal single market was the replacement of customs formalities at internal frontiers by new fiscal, statistical and other control systems that required no control or documentation at the moment that the goods crossed the internal borders. On 1 January 1993, all customs checks at the internal borders, including the use of the single administrative document, were abolished for the movement of goods. Spot checks still occur for drugs and immigration, but routine internal border checks have disappeared.

According to a survey by Intrastat of 13 500 companies, 62 % of companies said that they benefited from the single market and this figure will probably be much higher upon the implementation of an origin-based VAT system.

The tariff indicates the customs duties

While the free circulation of goods within the European Union is the internal aspect of the customs union, the Common Customs Tariff (CCT) is the external aspect. It applies to imports of goods across the external borders of the customs union. The common commercial policy fixes the tariff rates for customs charges due on goods imported into the Community and the exceptions to this, as well as prohibitions and restrictions. All this is monitored and controlled by customs staff. The Common Customs Tariff is common to all members of the Union, but the rates of duty differ from one kind of import to another depending on what they are and where they come from. Rates depend on the economic sensitivity of products and are a means of protecting the Community's economic interests.

By means of its Common Customs Tariff, the Community applies the principle that home or domestic producers should be able to compete fairly and equally on the Community market with manufacturers exporting from other countries.

Raw materials and semi-manufactured goods, which the Community often does not produce anyway and which it needs to produce goods, usually benefit from low duty rates. There are also temporary or permanent duty suspensions available if Community manufacturers have to use materials

(¹) The first part of this article appeared in issue No 1-2000.

THE NOMENCLATURE – THE KEY TO CUSTOMS DECLARATIONS

The Community nomenclature is based on an international classification tool, the 'harmonised system', administered by the World Customs Organisation (WCO), an intergovernmental organisation also based in Brussels. The systematic list of commodities serves many uses and is applied by most trading nations. It forms the basis for international trade negotiations and the settlement of tariff disputes and trade statistics.

Imported and exported goods have to be declared stating under which subheading of the nomenclature they fall. This determines what rate of customs duty applies and how the goods are treated for statistical purposes. In effect, everything depends on this classification, as all trade measures use the nomenclature to describe which treatment is to be given to what goods. This instrument is crucial when the precise description of goods and their classification have to be used for trade legislation. It is used, for example, in the identification of goods covered by non-tariff measures, import quotas, surveillance, and prevention of the importation of certain goods. It is also used in formulating and applying rules of origin, as they are based, to a large extent, on the end product being in a different tariff heading than the imported products used in manufacture.

or components from outside to manufacture Community exports. This makes cheap raw materials and semi-finished goods available to EU manufacturers on the same competitive footing as they are to foreign processing companies. The duty relief system is called 'inward processing' or 'duty suspension' depending on the one used.

In some economic sectors, it is necessary to stimulate competition by low tariffs as in the pharmaceutical and information technology sectors.

The Community is constantly adapting the Common Customs Tariff as a steering instrument for world trade. It has participated in eight tariff rounds, cutting tariffs considerably (under the General Agreement on Tariffs and Trade, now taken up under the umbrella of the World Trade Organisation (WTO)). The last multilateral agreement, 'the Uruguay Round', focused on the abolition/reduction of duties for information technology products, one of the strategic sectors in world trade; the next, or 'Millennium Round', is being prepared at present.

Increases in duties are only possible in accordance with the rules of the WTO which normally require compensation by reducing other rates. This can be necessary when countries join a customs union, as sometimes, for some products, the customs union may have higher duties.

By shaping its Common Customs Tariff in compliance with the World Trade Organisation rules, the European Union has demonstrated that it takes its responsibilities within a free world trading system very seriously.

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KEY FIGURES

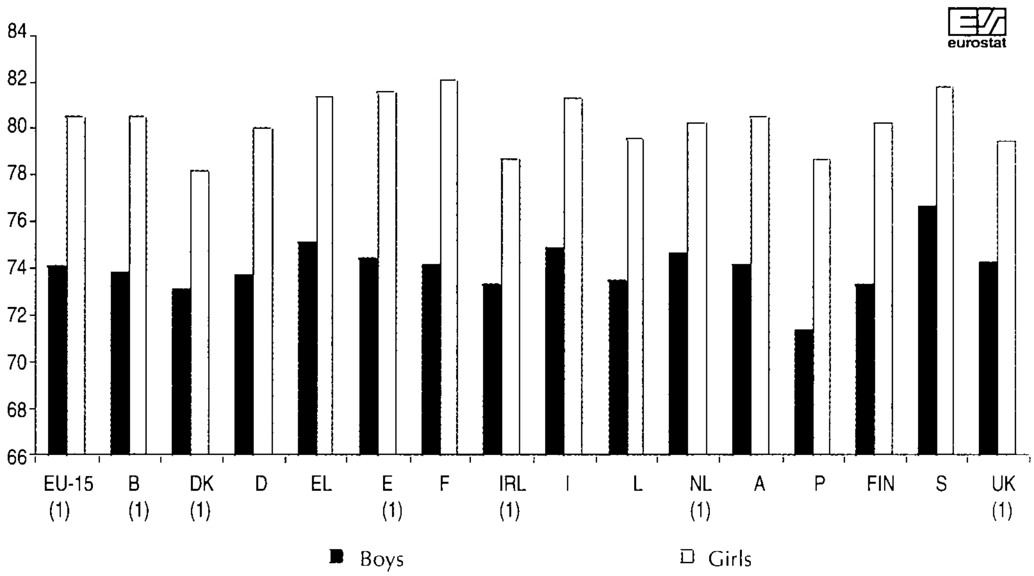
Data Shop Eurostat Luxembourg
Tel. (352) 43 35 22-51 — Fax (352) 43 35 22-221

Men and women in the EU

Girls born in Europe nowadays can expect to live longer than boys.

The difference in their life expectancy ranges from 5,2 years in the United Kingdom to 7,9 years in France. Life expectancy at birth for girls now exceeds 80 years in 10 countries of the EU, and even 81 or more in five Member States. Throughout the EU, girls can expect to live 6,4 years longer than boys.

Life expectancy at birth - 1997



Life expectancy at birth - 1997

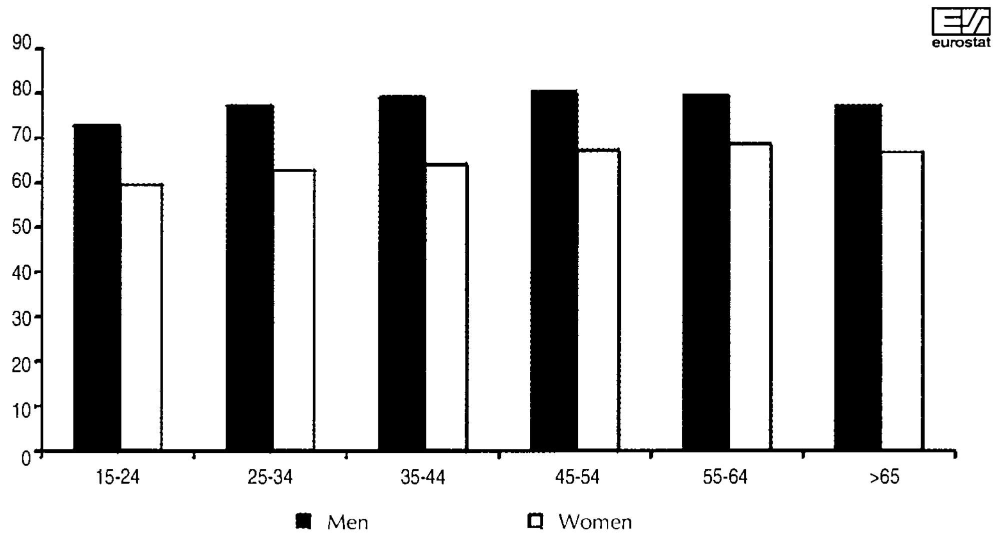
	EU-15 (1)	B (1)	DK (1)	D	EL	E (1)	F	IRL (1)	I	L	NL (1)	A	P	FIN	S	UK (1)
A	74,1	73,8	73,1	73,7	75,1	74,4	74,2	73,3	74,9	73,5	74,7	74,2	71,4	73,3	76,7	74,3
B	80,5	80,5	78,2	80,0	81,4	81,6	82,1	78,7	81,3	79,6	80,3	80,5	78,7	80,3	81,8	79,5

A: Boys; B: Girls; (1) Dati 1996.

Men aged 45 to 54 comprise the group in the European Union which on average has the heaviest weight.

Men in this age group in Luxembourg were the heaviest (84,6 kg), followed by Austrian men (83,2 kg) and Germans (83,1 kg). The Portuguese were the lightest (74,3 kg), this figure being explained in part by the smaller size of men in this age group, compared with the EU average.

Average weight of men and women by age group, 1996 (EU-15)



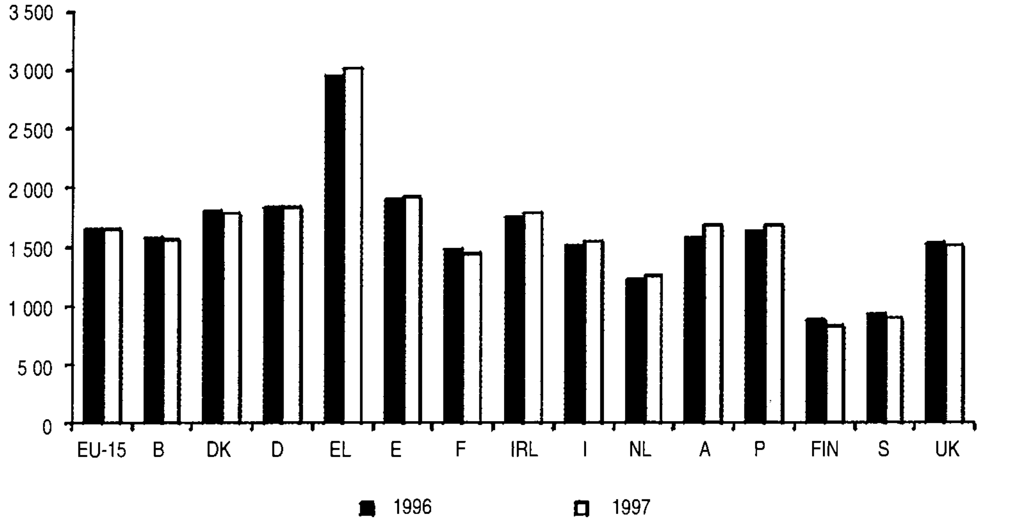
Average weight (kg) of Europeans aged 45 to 54, 1996

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P
Men	80,6	79,8	80,9	83,1	80,8	76,1	77,6	77,9	77,9	84,6	80,3	83,2	74,3
Women	67,2	66,4	67,2	66,7	71,4	64,5	61,2	67,2	63,6	68,7	68,8	72,3	66,0

The average annual consumption of pure alcohol amounted to 14,1 litres per person in France, down from 16,2 litres in 1987

People in Luxembourg consumed 15,5 litres per year, followed by the Danes (12,1), the Portuguese (13,6), the Germans (11,8), the Austrians (11,9) and the Spanish (11,4). The heaviest smokers were the Greeks, who on average went through 3 020 cigarettes per person per year. This figure was almost double the EU average. The Greeks were followed by the Danes, who proved the exception to the rule in the Nordic countries.

Cigarettes smoked per person



Cigarettes smoked per person

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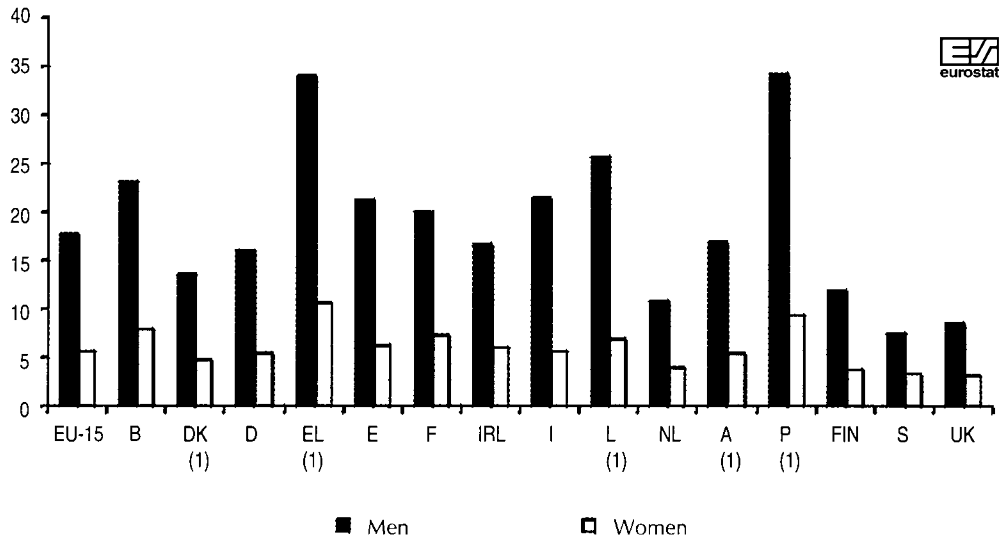
	EU-15	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK
1996	1 641	1 573	1 800	1 835	2 959	1 902	1 476	1 751	1 516	1 216	1 578	1 627	882	933	1 531
1997	1 646	1 568	1 791	1 841	3 020	1 929	1 443	1 784	1 541	1 245	1 685	1 681	817	893	1 515

Men in the EU are three times more likely than women to die in a road accident.

The riskiest countries are Portugal (34,1 deaths per 100 000 men) and Greece (34,0), while the safest for men is Sweden (7,4). The EU average for men is 17,7. Like men, women are at much greater risk on the roads in Greece and Portugal.

Deaths caused by road accidents - 1995



Deaths caused by road accidents - 1995
(Men per 100 000 - Women per 100 000)

eurostat

	EU-15	B (2)	DK (1)	D	EL (1)	E	F(3)	IRL(4)	I (4)	L (1)	NL	A (1)	P (1)	FIN	S	UK
A	17,7	23,2	13,6	16,1	34,0	21,3	20,0	16,6	21,4	25,7	10,9	16,8	34,1	11,8	7,4	8,6
B	5,7	7,9	4,8	5,5	10,6	6,2	7,3	6,0	5,7	6,8	4,0	5,5	9,4	3,8	3,3	3,1

A: Men; B: Women; (1) 1996 data; (2) 1992 data; (3) 1994 data; (4) 1993 data.

Source: Eurostat - News Release No 105/99.

■ The truth, and nothing but the truth

The European Commission decided on 14 December to fine the German Post Office (Deutsche Post) a total of EUR 100 000, the Dutch airline KLM EUR 40 000, and the American brewery Anheuser-Busch and its UK counterpart, Scottish & Newcastle, EUR 3 000 each. It did so because all of them provided inaccurate, incomplete or misleading information, in response to the Commission's requests regarding competition. In imposing these fines, which are close to the maximum allowed under EU rules, the Commission clearly wanted to warn companies operating in the European market that they have an obligation to provide full and accurate information. The information sought from Deutsche Post and KLM dealt with concentrations. The two breweries were being questioned on their production, distribution and marketing agreements.

■ A European logo for biological foods

Agricultural produce and food containing at least 95 % of organic ingredients can now display a European logo, provided they have been successfully inspected at every stage from production to labelling. The new logo is the subject of a regulation adopted by the European Commission on 22 December. Its use will assure consumers of the quality of the product in question. The logo consists of a dark blue circle with an ear of wheat, in green, in the centre, surrounded by the 12 stars of the EU flag. This is surrounded, in turn, by a circle containing the words 'Organic farming' in English, or their equivalent in the other official EU languages. The logo can also be printed in black and white.

■ Sport and the EU's competition rules

The European Union cannot intervene as it likes in the area of sport on the basis of its competition rules. This is clear from two decisions of the European Commission of 9 December in cases involving the Union of European Football Associations (UEFA). In the first case, brought by the Lille metropolitan district in France, the European Commission held that the UEFA Cup rules, which require each club to play its home game on its own ground, were not subject to EU competition rules. In this instance, UEFA had banned Mouscron, a Belgian club, from playing its home game in Lille. In the second case, the Commission believed that the UEFA rule, which bans more than one club belonging to the same owner from taking part in the same competition, could also be outside the scope of EU competition rules. In the latter case, it will be necessary to see if the integrity of competitions cannot be ensured through less restrictive means. The two decisions highlight three aspects of the Commission's sports policy. Firstly, this policy recognises the regulatory powers of sports organisations in non-economic matters. Secondly, it is concerned only with cases which have a European dimension and a considerable impact on trade between EU Member States. Thirdly, the regulations needed by sports organisations in order to ensure that every club has the same chance, the uncertainty of the outcome and the integrity and smooth progress of competitions are, in principle, outside the scope of EU competition rules.

□ IN BRIEF

Exchanges of students and schoolchildren, as well as other cooperative activities in the educational field, can continue until the end of 2006. The **Socrates II** programme, to which the European Parliament and EU Council had already agreed, was adopted definitively by the latter on 16 December. It began operating officially from the beginning of this year.

In order to enter into a **public works contract for services,** a service provider can refer to the capacity of other entities, on condition that he can prove that he has their resources at his disposal for the execution of the work in question. This was the ruling handed down by the European Court of Justice on 2 December, in a case involving the firm Holst and the Italian town of Cagliari, regarding the award of a contract for the collection and treatment of wastewater.

The 1997 European directive on **maintaining employees' rights in the event of transfers of firms** can apply to a transfer between two firms within the same group, which have the same owners and the same premises. A ruling to this effect was handed down by the European Court of Justice on 2 December in a dispute involving 24 workers of the British mining company Amalgamated Construction, which had subcontracted some work to another firm in the same group.

The European Commission adopted on 22 December the list of economic and social **redevelopment areas** in **Spain** and the **United Kingdom.** These areas, which cover more than 8.8 million inhabitants in Spain and 13.8 million in the United Kingdom, will be able to receive EU aid over the period 2000–06. On 8 December, the Commission basically adopted the **map of regional State aid** for investment in large firms proposed by **Portugal.** However, in the case of the region Lisbon-Valley of the Tagus, it opened an examination procedure which has blocked the investment aid in question since 1 January.

Checks **at the maritime frontiers** between **Greece** and the nine EU countries which are implementing the Schengen rules in full were lifted, in principle, on 1 January 2000. Checks at airports will be gradually lifted by 26 March at the latest. A decision to this effect was taken on 2 December by the joint committee of the Schengen Group, which was set up by the EU countries in order to speed up the elimination of border checks. The nine countries in question are Belgium, Germany, Spain, France, Italy, Luxembourg, the Netherlands, Austria and Portugal.

● Speeding up the information society

The European Commission launched a fresh initiative on 8 December. It is called 'e-Europe' (e for electronic) and is designed both to speed up the introduction of the information society in the 15-nation EU and to ensure that the benefits are widespread. This initiative flows from several findings. They include Europe's backwardness in relation to the United States of America in the use of computers and the Internet, the disparities in this connection between EU countries, and Europe's assets in the field of mobile communications in particular. 'e-Europe' is of interest to companies, the civil service, schools and private individuals. It consists of 10 priority action areas, including the widespread introduction of multimedia in schools, cheaper Internet access, the development of electronic commerce, and quicker Internet access for researchers and students, thanks to faster data throughput. Other priority areas include the use, throughout Europe, of smart cards for all kinds of electronic services, as well as the provision of venture capital for high-technology small and medium-sized enterprises (SMEs). On-line healthcare and applications in favour of the disabled are also within the scope of 'e-Europe'. Lastly, it includes the use of information technology in transport and contacts between Member States' civil services and the general public.

Internal market: doing well, but ...

Most EU company managers claim to be satisfied with the development of the European internal market, according to a poll of 4 000 people carried out in September. However, problems remain as regards the completion of this market and the very long delays in dispute settlement. These are the main findings set out in the latest 'scoreboard' published by the European Commission on 2 December. In all, 20 % of company managers believe that obstacles to the internal market no longer exist, 19 % feel that their number has fallen sharply over the last two years, while 25 % see this number as tending to fall. However, 27 % of those polled believe there has been no change and 7 % claim there are more obstacles than before. The problem most often mentioned by firms relates to the extra cost of ensuring that their products or services comply with national standards. Next in importance is State aid, which large firms feel favours their competitors. Small and medium-sized enterprises are more concerned, however, with unusual inspection, certification and authorisation procedures. Member States, meanwhile, are making greater efforts to transpose EU measures into national law. As of 15 November, only five countries — Greece, France, Ireland, Luxembourg and Portugal — were still behind in transposing at least 4 % of the measures in question. Two years ago, as many as 13 Member States were in this situation. However, delays in transposing EU legislation are hampering the effective operation of the internal market. In addition, the number of cases of infringement of EU rules remains high. As of 15 November, only 40 % of the infringement proceedings opened against Member States in 1997 and 1998 had been closed. Details of the poll can be found on the Internet (http://europa.eu.int/comm/dg15).

IN BRIEF

The European Commission has set out the principles on which it plans to base its **audiovisual policy** in a communication published on 14 December. The aim initially is to let binding rules and voluntary controls exist side by side, and to make the Member States primarily responsible for their content. This would be followed by an agreement to separate controls on the transmission of images from controls on content. The Commission also recognises the role of public broadcasting services.

More than 25 % of EU firms already have **invoices in euro,** but few of them keep their accounts in the single currency. This is true of 0.3 % of firms in the Netherlands, on the one hand, and 7 % in Luxembourg, on the other. But the dual-pricing system is spreading, according to the first quarterly note on the use of the euro, published by the European Commission on 10 December.

The European Commission proposed the 'Media plus' programme to the European Parliament and Council of Ministers on 14 December. Its aim is to improve the training of those working in the **audiovisual industry** and in the **distribution of European audiovisual products.** The programme would cover the period 2001–05, and have a training budget of EUR 50 million and EUR 350 million for distribution and promotion.

SEEN FROM ABROAD

Membership applicants

The decisions of the European Council which met in Helsinki (see page 2) seem to have encouraged countries which have applied for EU membership. According to a poll conducted in **Bulgaria** just after the meeting and published on 13 December, more than 58 % of those polled claimed to be ready to make sacrifices in order to enable their country to join the EU. Some 27 % took the opposite view. However, more than 70 % of Bulgarians have responded positively to the EU's invitation to open entry negotiations and feel that membership will have a favourable impact on Bulgaria's development. Moreover, the Prime Minister, Ivan Kostov, reshuffled his Cabinet, particularly with a view to facilitating negotiations with the EU. In **Romania,** the new Prime Minister, Mugur Isarescu, who was appointed by President Emil Constantinescu on 17 December, undertook, two days later, to prepare his country for EU membership. This is a priority for his government.

In **Turkey** the Prime Minister, Bulent Ecevit, stated on 13 December: 'We can have the economy ready for membership in two or three years.' On 21 December, he noted that 'it will be a very difficult task'. His Foreign Minister, Ismail Cem, stated on 13 December: 'Turkey is not just one among many candidates. It has its own culture and identity, which are different from those of the other candidates.'

The text of this issue was completed on 11 January 2000.

A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (http://europa.eu.int). If you have any questions, you can contact Europe Direct on the Internet (http://europa.eu.int/citizens/) or by telephone: United Kingdom: 0800 58 15 91; Ireland: 1800 55 31 88.
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