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frontier-free
EUROPE

Monthly newsletter

Education and Culture Directorate-General

The regions, at the heart of the European edifice

by Michel Barnier, Member of the European Commission

Regional policy is the second of the European Union's policies, in terms of budgetary allocations. It offers each region the possibility of reinforcing its assets and its identity. Regional policy entered a new phase this year, one which highlights decentralisation and efficiency. But it will have to meet the challenge of enlargement in the years ahead.

The national and the regional spheres complement each other

The national sphere is essential for the building of Europe, and it must remain so. The Treaties which set up the European Union were signed and ratified by States. A European policy can only result from the expressed will of the Member States, which agree to share some of their prerogatives for the common good. Without the national sphere, there would be a risk of unlimited competition between regions, whose main victims would be the weakest regions.

The regional sphere has an important role to play. Thanks to analysis at the regional level, it is possible to highlight the differences in levels of development within the same Member State. In order to fill this gap, the regional and the local spheres must form genuine partnerships on the ground, concrete expressions of proximity-based democracy. Besides, it is important that European policies, which are often seen as vehicles for the standardisation of ways of life, pay more attention to the diversity to be found within the EU.

An increased role for the regions

Today, regional and local government is essential for the Union's cohesion policy, for which EUR 195 billion has been allocated through the Structural Funds — regional, social and agricultural — for the period 2000–06. To this sum must be added the EUR 18 billion set aside for the Cohesion Fund. This is a substantial increase in relation to the EUR 167 billion devoted to the cohesion policy during the period 1994–99. As matters now stand, the EU's regional policy map for the next seven years is virtually complete. The regions entitled to development or redevelopment aid cover 40 % of the EU's total population.

The reforms of 1999 have largely decentralised the interventions of the Structural Funds. The emphasis is now on partnership, thus strengthening the role of local actors in the implementation of regional programmes. The association of regional and local governments seems necessary to me, in order to ensure the success of a more coherent and structured integration of the information society into our structural programmes. I am determined that each regional programme will provide for the effective utilisation of information and communication technologies, whether in the market sector or the modernisation of public services. Here the time for experiments is over.

The challenge of enlargement

The enlargement now under preparation will be on a scale, and have regional implications, without precedent in the history of the building of Europe. It should result in a 15 % decline on average in the EU's per capita gross domestic product (GDP). This is a bigger decline than those which resulted from all previous enlargements. The fact is that per capita GDP is under 75 % of the present EU average in 48 of the 50 regions of the central and east European countries that are seeking EU membership.

Must the aims and instruments of the cohesion policy remain unchanged under these conditions? The cohesion report that the Commission will submit at the end of this year should enable us to reflect on how to answer this question. I also plan to organise, early next year, a conference involving the regions of both the present Member States and the candidates for membership. We must simultaneously prepare the latter for membership and reflect on the future of the cohesion policy.

Towards better Internet access

Unbundled access to the copper local loops, which is the part of the traditional telecom infrastructure that is closest to users, would provide Europeans with cheaper and better Internet access. And this is what the recommendation adopted by the European Commission on 26 April is designed to achieve. The text calls on European Union (EU) Member States to provide telecom companies with full unbundled, non-discriminatory access by 31 December 2000 at the latest. The text is not legally binding, as it is a recommendation; but the Commission published at the same time a communication in which it points out that unbundling is a consequence of certain existing EU ground rules. Thus the current open network provision (ONP) rules require former monopolies to share the local loop with those of their competitors which submit a 'reasonable' request. In addition, several types of behaviour on the part of former monopoly operators can represent, in some cases, abuses of a dominant position, and be subject therefore to action by the European Commission. In practice, 7 of the 15 EU Member States have already decided on local loop unbundling. They are Denmark, Germany, Italy, the Netherlands, Austria, Finland and, from July 2001, the UK.

Frontier-free on-line services

From October 2001 at the latest, companies and the professions will be able to offer their services on-line throughout the EU, thanks to a directive adopted by the European Parliament on 4 May, in agreement with the EU Council of Ministers. The directive requires Member States to eliminate restrictions on e-commerce services and the on-line conclusion of contracts. It covers activities such as the provision of Internet access, on-line newspapers and databases, on-line advertising and marketing, pay television and the provision of professional services on the Internet. The directive covers lawyers, legal advisers, doctors, accountants and estate agents but not notaries. Gambling is excluded from the directive. Checks on the suppliers of the services in question will be the responsibility of the Member State in which they are established, eliminating in principle checks in the countries in which the services are actually delivered. Professionals must give their address and telephone number on their website and, if necessary, their authorisation to practise. The directive does not hold Internet service providers and other intermediaries responsible, to the extent that they do no more than ensure the transmission of information.

Car insurance: better than the green card

European motorists who are the victims of a car accident in an EU country other than their own will soon be able to obtain reimbursement more quickly and easily. The European Parliament adopted on 15 May, after agreement with the EU Council of Ministers, a directive which complements and improves on the green card system of automobile insurance. The new text will cover not only accidents in another EU country but also those caused in a non-EU country by a vehicle insured and regularly parked in the EU. Victims can now go directly to the insurer of the liable party established in another Member State rather than having to go through the liable party. The directive requires all insurance companies to appoint special representatives in the other EU Member States, who will handle the accidents in question. In addition, each Member State will have to set up a compensation body by November 2001 at the latest. All these national bodies will have to reach agreement within six months on their coordinated operation. The Member States will also have to set up information offices to help accident victims.

Compensation for late payments

Companies throughout the EU will soon be entitled to penalty interest on payments made more than 30 days after the date shown on the invoice. The European Parliament and EU Council reached agreement on 5 May on a directive on late payments in commercial transactions. It should be formally adopted by mid-June. Interest will be 7 percentage points above the European Central Bank's repo rate – or the equivalent rates fixed by the central banks in the countries outside the euro area. Member States will be able to maintain or introduce more generous provisions at the national level. Inversely, they will be able to set the payment period at 60 days, after which interest will be due, in the case of contracts entered into by the authorities. At present, differences between the various national laws discourage trade between EU countries, especially for small and medium-sized enterprises (SMEs).

The regions: the role of Interreg and URBAN

The path has been mapped until the end of 2006 as regards the EU initiatives Interreg III and URBAN II. The European Commission adopted on 11 May the guidelines and shared out the funds between the Member States. Interreg III, which promotes cross-border cooperation, will encourage three types of activities. They are: cooperation at the local level between areas at the EU's internal and external borders; cooperation at the European level between national, regional and local authorities, and interregional cooperation through networks composed of non-contiguous areas. Interreg III will have a budget of EUR 4.87 billion (EUR 1 = GBP 0.58 or IEP 0.79), with more than half this sum being earmarked for Germany, Greece, Spain and Italy. The first of the two major objectives of URBAN II is to encourage the design and implementation of innovative economic and social regeneration strategies in small and medium-sized towns and cities and run-down urban areas. The second objective is exchanging knowledge and experience on regeneration and sustainable urban development in the EU. URBAN II has a budget of EUR 700 million. Its main beneficiaries will be Germany, Spain, France, Italy and the UK.

Helping those with rare diseases

European pharmaceutical companies are being encouraged to invest in medicines for the treatment of diseases which affect fewer than five Europeans out of 10 000. Since 28 April, they can ask the European Agency for the Evaluation of Medicinal Products (EMEA) to classify certain medicines as 'orphan medicinal products', under the terms of a regulation adopted by the European Commission on 27 April. The regulation contains a series of incentives already agreed to by the European Parliament and EU Council of Ministers. They include market exclusivity and exemption from certain registration fees. More

A NEW LOOK REGIONAL POLICY

Concentrated aid, focused funding, decentralised management

The European Union Structural Funds in the years 2000–06 will continue to be one of the main instruments of solidarity among Europeans – helping to create jobs and economic development by investing in infrastructure and training in less well-off regions.

Concentration of financial support is the watchword of regional policy reform under Agenda 2000. In order to use the money from the Structural Funds as efficiently as possible, it was decided to concentrate their use by reducing the number of priority objectives from seven to three, and nearly 70 % of total spending will be targeted on regions whose development is lagging behind ('Objective 1').

There are four Structural Funds operating under a common set of rules which ensure that EU grants are given as part of long-term development programmes adopted by the local authorities:

- the European Regional Development Fund (ERDF);
- the European Social Fund (ESF);
- the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF);
- the Financial Instrument for Fisheries Guidance (FIFG).

Spending volumes agreed for 2000–06 should allow the EU to maintain all of its current efforts in favour of economic and social cohesion. This means that Member States' current receipts from the Structural Funds will not be diminished as a result of enlargement, although they may be altered by changes in the policy itself.

The new Structural Funds 2000–06

	Objective 1	Objective 2	Objective 3
What problem?	Regions lagging behind in development	Regions in structural crisis	Regions needing support for education, training and jobs (all regions except Objective 1)
EU funds available 2000-06 (billion EUR)	135.9	22.50	24.05
Percentage of Structural Funds budget (1)	69.7	11.5	12.3
Which funds? (2)	ERDF, ESF, EAGGF, FIFG	ERDF, ESF	ESF
Percentage of population covered	22.2	18	(not relevant)

(1) The remaining share is dedicated to Community initiatives.
(2) The EAGGF and FIFG funds also finance certain other types of actions outside Objective 1 regions.

Objective 1: Concentrated help for regions which are lagging behind

'Lagging behind' means that regions qualify for special help if their per capita gross domestic product (i.e. the value of total economic output divided by population) is below 75 % of the EU average.

There are such regions in nine EU countries. These regions include the most remote areas of the EU: the French overseas departments, the Azores, Madeira and the Canary Islands – all below the 75 % threshold. Objective 1 furthermore includes the less populated parts of Finland and Sweden which were guaranteed special help in the treaties by which these countries joined the Union in 1996.

A special programme was designed under this objective to support the peace process in Northern Ireland. The PEACE programme was extended for five years and allocated EUR 500 million of EU funding, EUR 100 million of which will support projects in Ireland.

Objective 2: Moving regions out of crisis and into growth and jobs

Crisis is often caused by the fall-out from economic change. Objective 2 regions need help to deal with problems caused by declining activities. Typically these regions have high unemployment because many people used to work in a particular type of industry which is decreasing considerably. A maximum of 18 % of the EU's population is covered by this objective, which should break down into 10 % in industrial and service areas, 5 % in rural areas, 2 % in urban areas and 1 % in areas dependent on the fishing industry.

Transitional support

Regions and areas eligible for funding under the 1994-99 arrangements which lose entitlement under the redesigned programme will receive gradually decreasing payments until the end of 2005.

Objective 3: Education, training and employment — helping people to adapt and prepare for change

Funding will be available for all areas not covered by Objective 1. Objective 3 will provide a policy frame of reference for all EU measures to promote human resources, i.e. all kinds of activities that make citizens more qualified for work. Moreover, it will contribute to the new European employment strategy and the respective national action plans for employment, which each EU country has established as part of a joint effort to create employment.

Measures that could be given funding have been broadly defined and include:

- active labour market policies to combat unemployment;
- promoting equal opportunities for all in accessing the labour market;
- helping to improve people's employment prospects through lifelong education and training systems;
- measures to anticipate and help adjustment to economic and social change;
- positive action for women to improve their participation in the labour market.

Community initiatives

These policies attempt to develop common solutions to common problems of regional development. Agenda 2000 reduces the Community initiatives from 13 to 4, covering the following themes:

- transnational, cross-border and interregional cooperation designed to stimulate balanced development across the European territory (Interreg);
- economic and social conversion of crisis-hit towns and cities (URBAN);
- rural development (Leader);
- transnational cooperation to identify new means of fighting all forms of discrimination and inequality preventing men and women getting jobs (EQUAL).

These four initiatives are due to receive 5.35 % of the total Structural Funds during the 2000–06 period.

Management of the programmes: decentralisation is the principle

Under the new arrangements, there will be a clearer division of responsibilities in the management of the Structural Funds and also a stronger application of the principle of subsidiarity — taking decisions as close as possible to the people affected.

Member States will take charge of the management of the programmes and their financing. This means they have to guarantee that EU funds are being efficiently used and controlled and they must also prevent, detect and correct any irregularities.

The Cohesion Fund: continued support

The Cohesion Fund will continue to assist Greece, Spain, Ireland and Portugal, as it has done since 1994, because their per capita gross national product (GNP) is less than 90 % of the EU average. The purpose of the EUR 18 billion allocated for the seven years is to help them to close the standard of living gap by supporting environmental and transport infrastructure projects. The Cohesion Fund works in addition to the four Structural Funds, under slightly different technical arrangements.

In the year 2003 the Commission will check whether all these States are still eligible for support from the Cohesion Fund. If a Member State climbs above the 90 % average GNP ceiling and is no longer eligible, the total Fund will be reduced accordingly.

KEY FIGURES

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

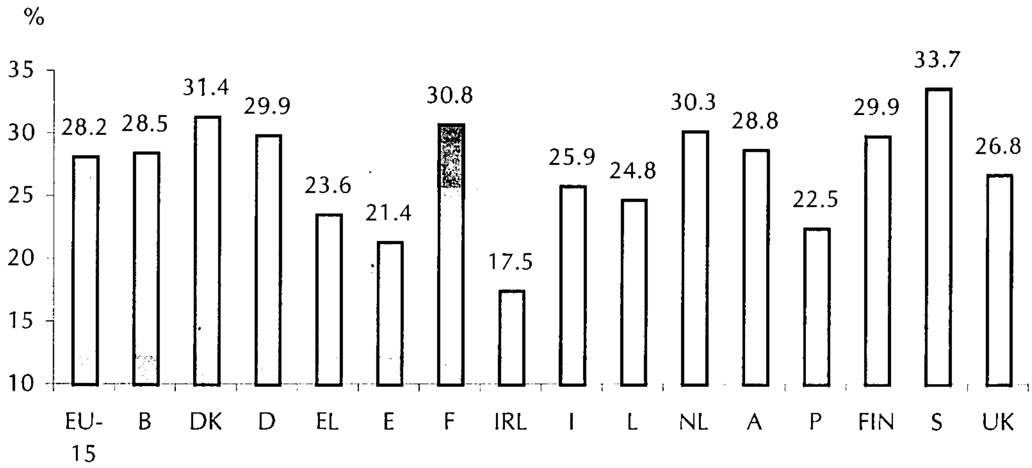
Selected EU social protection figures

Social protection expenditure, as a percentage of GDP, fell slightly in the EU from 28.7 % (1996) to 28.2 % (1997).

Between 1996 and 1997 the figure fell in twelve Member States, the biggest reductions occurring in Finland (- 2.4 %), Denmark (- 1.1 %) and Ireland (- 1.0 %), while the figure increased in Portugal (+ 0.9 %), Italy (+ 0.6 %) and Greece (+ 0.5 %).

In 1997, Ireland, Spain and Portugal had the lowest rates, while Sweden, Denmark and France had the highest.

Expenditure on social protection as % of GDP 1997



Expenditure on social protection as % of GDP 1990-97

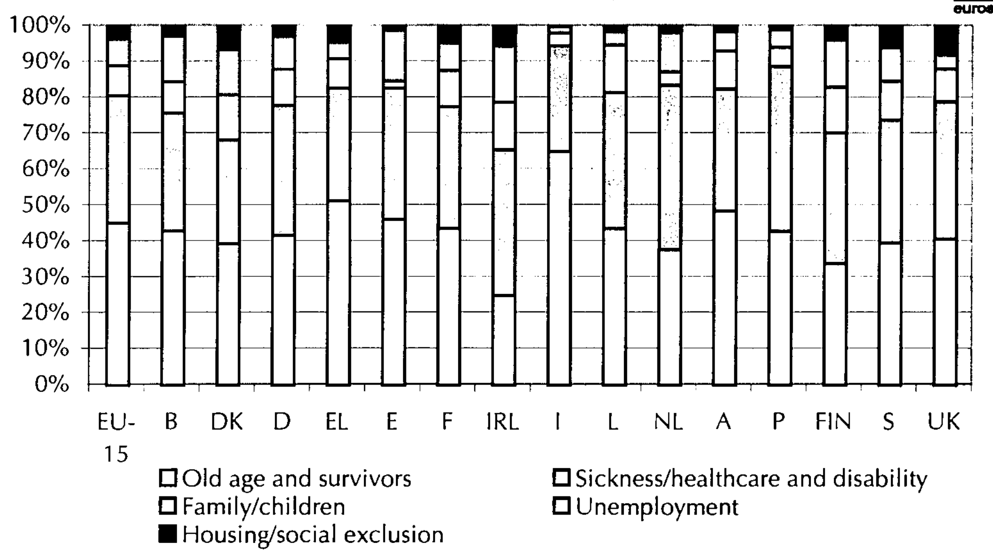
	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
1990	25.4	26.7	29.7	25.4	23.2	19.9	27.7	19.1	24.1	22.6	32.5	26.7	15.6	25.5	33.1	23.2
1993	29.0	29.4	33.0	29.1	22.3	24.0	31.0	20.7	26.0	24.5	33.6	29.0	21.0	35.3	38.6	28.9
1996	28.7	28.8	32.5	30.6	23.1	21.9	31.0	18.5	25.3	25.2	30.8	29.6	21.6	32.3	34.6	27.7
1997	28.2	28.5	31.4	29.9	23.6	21.4	30.8	17.5	25.9	24.8	30.3	28.8	22.5	29.9	33.7	26.8

In 1997, 'old age and survivors' and 'sickness, healthcare and disability' accounted for 45.2 % and 35.4 %, respectively, of total benefits.

'Old age and survivors' represented the main item of expenditure in most Member States, increasing from 1990 to 1997 by almost 20 %. 1997 expenditure ranged widely from 65 % in Italy to 25 % in Ireland.

In Portugal, the Netherlands, Ireland and Finland, 'sickness/healthcare and disability' were the main item.

Social benefits by type 1997 (as % of total social benefits)



Main social expenditure items 1997 (as % of total social benefits)

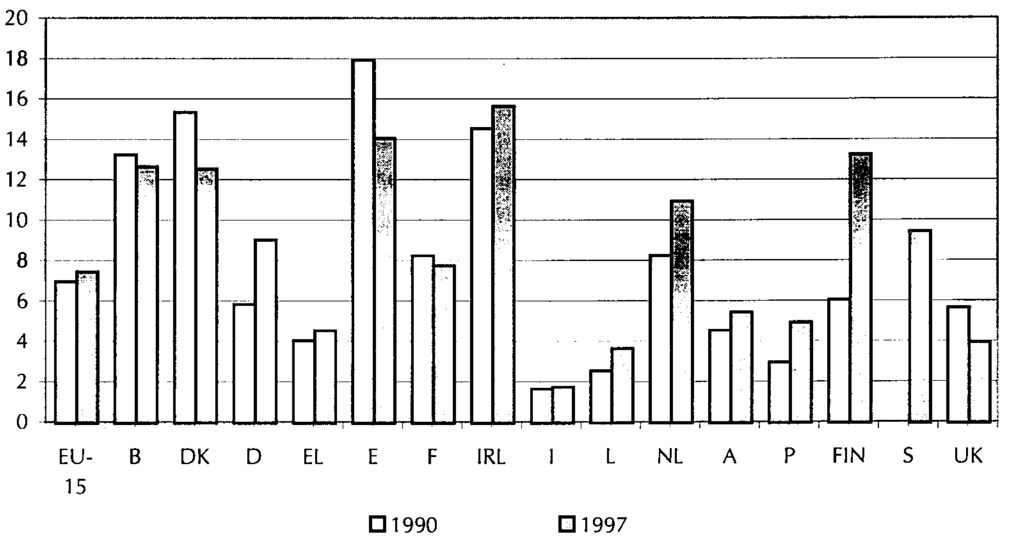
	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Old age and survivors	45.2	43.0	39.4	41.8	51.4	46.1	43.6	24.9	65.1	43.6	37.7	48.5	42.8	33.8	39.6	40.7
Sickness/ Healthcare and disability	35.4	32.8	28.9	36.1	31.4	36.6	34.0	40.7	29.5	38.0	45.9	34.1	45.9	36.6	34.2	38.2

Unemployment, as a percentage of total benefits, rose from 7 % in 1990 to 9.5 % in 1993, before falling back to 7.5 % in 1997.

The decrease was more marked in Spain (from 21.7 % to 14.1 %), Denmark (from 17.9 % to 12.6 %), the UK (from 7.1 % to 4.0 %) and Finland (from 16.0 % to 13.3 %).

Economic recovery and changes to unemployment benefit schemes in some countries explain the downward trend that has been apparent since 1993.

Unemployment expenditure (as % of total social benefits) (¹)



Unemployment expenditure (as % of total social benefits) (¹)

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
1990	7.0	13.3	15.4	5.9	4.1	18.0	8.3	14.6	1.7	2.6	8.3	4.6	3.0	6.1	:	5.7
1993	9.5	13.4	17.9	10.6	3.7	21.7	9.3	17.0	2.3	2.7	9.3	5.6	5.3	16.0	10.8	7.1
1997	7.5	12.7	12.6	9.1	4.6	14.1	7.8	15.7	1.8	3.7	11.0	5.5	5.0	13.3	9.5	4.0

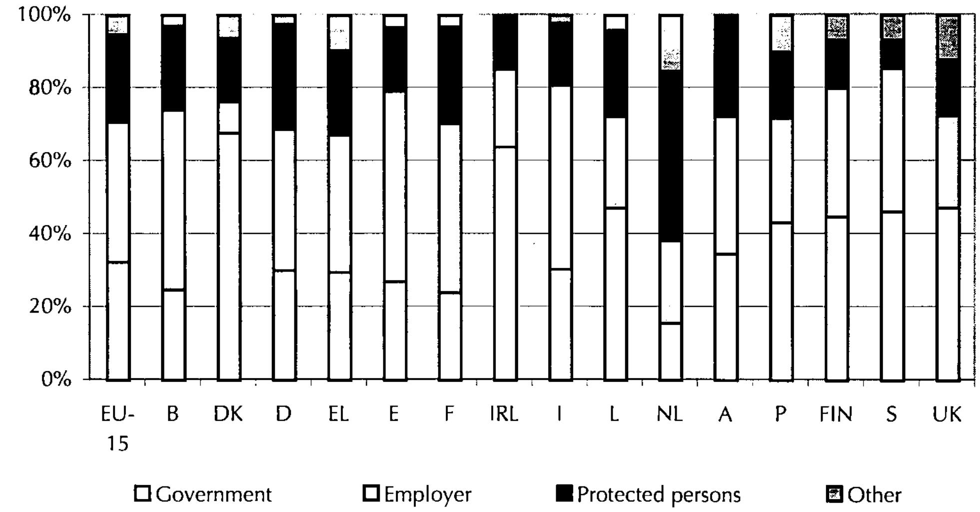
During the 1990s, the proportion of general government contributions increased while employers' social contributions decreased.

Between 1990 and 1993, during the economic slowdown, general government contributions per capita increased by 24 % - more rapidly than other funding.

However, from 1993 to 1997, when GDP recovered, they increased at a lower rate while employers' contributions began to rise again.

In 1997, general government contributions were highest in Denmark (67.8 %) and lowest in the Netherlands (15.6 %).

Social protection receipts (as % of total receipts) in 1997



Government and employers' social contributions (as % of total receipts) in 1997

	EU-15	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Government	32.4	24.9	67.8	30.1	29.6	27.1	24.0	63.9	30.5	47.2	15.6	34.6	43.3	44.8	46.2	47.3
Employer	38.4	49.2	8.5	38.6	37.6	52.2	46.4	21.4	50.3	25.1	22.6	37.7	28.6	35.1	39.2	25.2

(¹) Data for Sweden was unavailable for 1990.
Source: Eurostat - Statistics in focus: Social protection in Europe n°2/2000.

detailed information is available on the Internet (http://pharmacos.eudra.org) or (http://www.eudra.org).

☐ IN BRIEF

All EU Member States will soon be able to carry out roadside checks on heavy commercial vehicles used to carry passengers and goods. The EU Council adopted on 13 April, in agreement with the European Parliament, a directive which supplements the existing rules for annual roadworthiness tests. The inspections under the new directive can be carried out by the roadside, at ports, at other places where vehicles are parked and at the operator's premises. Commercial vehicles from non-EU countries are also subject to such inspections when they operate within the EU. The aim is to make sure that vehicles are being properly maintained from the standpoint of safety and environmental protection.

Creditors of banks and other credit institutions which are located in a Member State other than that of their residence will soon enjoy better protection in the event of the winding-up or reorganisation of these institutions. The EU Council reached an agreement on 8 May on a directive which establishes, as regards all necessary procedures, the competence of the authorities of the Member State in which the head office of the credit institution in question is located. Their decisions will be recognised in the other Member States. The text must be submitted to the European Parliament before it is definitively adopted.

Maritime transport companies can continue to take part in consortia for the transport of goods on international shipping liner services having at least one EU port as the port of departure or destination. The necessary authorisation was extended by the European Commission for another five years on 25 April; it has been in force since 1995. The new text exempts consortia under certain conditions. These include a ban on price fixing and on arrangements, as provided for by European competition rules.

From next year the system of financing the EU will pay more attention to the differing levels of prosperity of the 15 Member States. The common orientation adopted by the EU Council on 8 May reduces the relative importance of VAT resources as from 2002, and gives greater weight, as from next year, to customs and agricultural duties.

Of the 117 projects selected by the European Commission on 27 April within the framework of the Jean Monnet programme, 47 provide for new, full-time teaching posts, 47 for new courses on European integration and 23 for the creation of new European study centres. The projects selected for this year involve universities in 13 EU countries — the Fifteen less Luxembourg and Austria. They will receive funds from the EU budget. The number of projects supported by the Jean Monnet programme, now in its 10th year, stands at 1 987.

A regulation of the sports federation which prevents professional basketball players from taking part in competitions, if they were transferred after a certain date, can represent an obstacle to the free movement of workers, guaranteed by the EU. A ruling to this effect was handed down by the European Court of Justice on 13 April, in a case involving a Finnish player, Jyri Lehtonen, and the Belgian club Castors Namur-Braine, on the one hand, and the Belgian basketball federation on the other. The federation had punished the club for violating the transfer rules of the international basketball federation by allowing Mr Lehtonen to play.

The European Commission approved in principle on 14 April the Community support framework — regional development programme — for the Italian Mezzogiorno. It covers the period from 2000 to 2006. The aid to be provided by the EU will amount to EUR 23.96 billion. The Commission approved on 15 May the single programming document which will determine the regional development of Belgium's Hainaut province between 2000 and 2006. The EU will provide EUR 645 million in aid.

The European Commission approved on 11 April the Danish system of regional aid to firms for the period 2000-06. This aid could amount to EUR 27 million a year. The Commission approved a similar scheme for Sweden on 3 May. It would have a budget of EUR 42 million a year and cover the period from 2000 to 2006.

The Spanish regulation which requires producers of wines described as 'Rioja' to bottle them where they are produced is not contrary to the free movement of goods guaranteed by the EU, according to the European Court of Justice. The Court rejected on 16 May the appeal lodged by Belgium against the Spanish regulation, with the support of Denmark, the Netherlands, Finland and the United Kingdom. Spain was supported by Italy and Portugal.

Luxembourg's tax laws, which consider a Belgian who works and is resident in the Grand Duchy, but whose wife and children live in Belgium, as single is contrary to the free movement of workers, guaranteed by the EU. A ruling to this effect was handed down by the European Court of Justice on 16 May, in a case involving a Belgian employee, Patrick Zurstrassen, and the Luxembourg tax authorities.

● Feedback from companies

The European Commission wants to make sure that internal market policies and laws are better adapted to the preoccupations and experiences of businesses. To this end, it launched its own business feedback mechanism on 17 April. All the questions put by companies to the 41 Euro Info Centres in the 15 EU Member States will be analysed, and the Commission will keep this analysis in mind when drafting its policy. (It will also be available on the Internet.) The 41 business information centres

THE EURO IS BEING USED INCREASINGLY

There is a slow but steady increase in the use of the euro by businesses, government departments and the general public, according to the quarterly report published by the European Commission on 14 April. Over 25 % in value of the payments by firms in the euro area were made in euro in the first quarter of this year, as against under 2 % during the last quarter of 1999. In volume terms, the euro's share was just 2.4 %. Most payments in Belgium and Spain are already in euro, in value terms. Currently, 3.4 % of business accounts are denominated in euro, as compared with 0.6 % earlier, while more than one currency account in five is denominated in euro. When it comes to company accounts, the proportion of firms in the euro area that have switched over to the new currency ranges from 0.3 % in Italy to 8.6 % in Luxembourg. The use of the euro is spreading in the administration. Thus over 12 % of Dutch customs declarations for imports are in euro, and the proportion is the same in the case of Austrian exports. In France, public works contracts will be drawn up in euro as from July, while in Luxembourg the budget will be in euro from 2001. In addition, nearly 10 % by value of all payments by private individuals are in euro, while 55 % of electronic payment terminals do not accept the single currency as yet.

were chosen from the roughly 300 Euro Info Centres. The new system will handle at least 20 000 requests for information per year, and will cover a wide range of topics, including public procurement, technical standards, e-commerce and environment protection rules. It will use the 'Dialogue with business' website (http://europa.eu.int/business). This site, which also provides access to the Euro Info Centres, has received more than 2.5 million requests for information and advice since it was launched in January 1999.

● Broadcasting in a digital age

In a digital age the facilities and contents of the audiovisual sector must be treated separately, and the relevant regulation should aim at neutrality from a technological point of view. These are the basic principles set out in the conclusions adopted by the EU Council of Ministers on 16 May, and they support the guidelines set out by the European Commission last December. According to these conclusions, regulations dealing with audiovisual content must recognise broadcasting's public service role and the role of self-regulation. As for the facilities, the aim is to encourage open access and interoperability. The EU ministers responsible for the audiovisual sector have asked the Commission to carry out studies on the impact of digital television on employment and growth, and on how it can be used to promote cultural and linguistic diversity. They have also asked the Commission to define the measures needed to strengthen the competitiveness of the European contents industry.

○ IN BRIEF

In order to **simplify and modernise the rules governing public procurement,** the European Commission proposed amendments to the existing directives to the European Parliament and EU Council on 10 May. The aim is to make the texts clearer and more comprehensible, relax certain procedures, encourage the use of the new information technologies and take into account the liberalisation which has taken place in the telecommunications sector.

Of the 53 actions agreed on last November within the framework of the **single market** strategy, only 26 will be successfully completed by 30 June as envisaged. With this in mind, the European Commission presented on 8 May a series of **priority actions** required to secure the realisation of the goal set by the Fifteen in Lisbon in March, which is to make the EU economy the most competitive and dynamic in the world. The actions to be undertaken range from the introduction of a Community patent to the integration of financial markets.

Also designed to further the Lisbon objectives was the European Commission's proposal for a new **programme for business and entrepreneurship,** for the period 2001–05. The programme, which could devote some EUR 230 million to the development of small and medium-sized businesses, would include the network of services to businesses, such as the Euro Info Centres, the loan guarantees and support for the provision of risk capital.

The main aim of a draft directive on **vitamin and mineral food supplements,** adopted by the European Commission on 10 May, is to make sure that consumers are offered safe products and correct information. The text offers both a legal framework and safety rules, along with labelling requirements regarding recommended doses in particular and the information that the products in question are not medicines.

In order to inform the citizens of both the EU and the countries that are seeking to join the Union, the European Commission adopted on 11 May a **communication strategy** on the forthcoming enlargement. The aim is to satisfy information needs and dissipate fears and misunderstandings. The strategy, covering the period 2000–06, will have a budget of EUR 146.7 million.

The **London and Frankfurt stock exchanges** announced on 3 May that they were merging to form iX (International Exchanges), the largest financial market in Europe.

How do EU rules apply to **concessions?** The explanation is contained in a communication which the European Commission adopted on 4 May. The document confirms that the principles of equality of treatment, mutual recognition and proportionality apply to this form of cooperation between the private and public sectors. The text is to be found on the Internet (http://simap.eu.int).

SEEN FROM ABROAD

►Poland moves into high gear

'We want to reach in six months the level of preparation reached by the countries that already feel at home as regards European Union legislation,' the Polish Prime Minister, Jerzy Buzek, declared on 17 April, when presenting the new Minister for European Integration, Jacek Saryusz-Wolski, who had been appointed three days earlier. Mr Buzek was seeking to reply at the same time to the criticisms from the EU regarding the speed with which Poland was adapting EU legislation. Poland's chief EU negotiator, Jan Kulakowski, announced that the leaders of his country's political parties had concluded a non-aggression pact in the European field in order not to hamper the adoption of the measures needed to join the EU. For the government in Warsaw, Poland will become a member in 2003. An opinion poll has shown that 17 % of Poles wish to work in an EU Member State once their country is a member, and the law allows them to do so. The results of the poll were published on 15 May.

The text of this issue was completed on 16 May 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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