

The audiovisual sector and the Internet in Europe

by Viviane Reding, Member of the European Commission

As a driving force for the global information society and something of a Mecca for creation and innovation, the Internet reflects the changes affecting the communications sector as a whole. It seems to me that the focus of the debate on these changes has shifted from questions of infrastructure and technology to henceforth also include the 'contents' of services available over the Internet. The recent announcement of the AOL/Time Warner merger exemplifies this perfectly. The digital revolution means new challenges for the European Union (EU) audiovisual policy and underlines the relevance of its fundamental aims, namely to encourage the production and distribution of European works by establishing a secure and stable legal framework to guarantee the freedom to provide services on the one hand, and through appropriate support mechanisms on the other.

A bigger role for self-regulation

On the regulatory front, the digital revolution requires ongoing evaluation of the means and methods used so that they are kept proportionate to the goals to be achieved. In this context, self-regulation is set to play an increasing role. When preparing and applying the 'ground rules', self-regulation is an approach particularly well suited to the intrinsic features of the Internet, especially the proliferation of players. This was one of the conclusions of the recent debate on the Commission's Green Paper on convergence of information technology, telecoms and the audiovisual sector.

This debate was an opportunity to highlight other principles, notably:

- the necessity and proportionality which allow the EU to effectively manage the changes taking place without having to reinvent a regulatory framework for audiovisual content and adding more regulatory 'layers';
- the separation of transport and content regulation which makes it possible to consider the specific nature of the audiovisual sector;
- the technological neutrality which requires identical services to be regulated in the same way, regardless of their means of transmission, e.g. terrestrial, cable, satellite or via the Internet.

These principles will form the basis of the Commission's approach to the 'ground rules' for audiovisual content over the next two years.

More money for the audiovisual sector

As regards support for the audiovisual industry, the Community must also develop its policy on the basis of well-tryed principles and instruments. The advent of the digital age presents new opportunities to producers and distributors. It also represents challenges, in particular with regard to the risk of market fragmentation and the effect this could have on the financing of production.

In this context, existing support mechanisms at both national and European level have a crucial role to play in preserving the diversity of European creation and improving the competitiveness of the industry. Among other things, European support mechanisms must enable EU producers and distributors to better exploit the market both at European and global levels.

The Commission's proposal last December for a new 'MEDIA Plus' programme stemmed directly from these principles: a modernised programme tailored to the new challenges and backed up by 30 % additional funding; 30 % at a time when the growth in EU public expenditure is around zero says it all as regards the importance the European Commission attaches to audiovisual policy.

These principles will also prompt efforts to achieve coordination with other European instruments both in the context of the research framework programme and of the 'e-Europe' initiative which aims at boosting the information society. But we must be careful to avoid the inadvertent creation of a European demand for non-European products. We know where the main PC manufacturers and Internet service providers are located. By contrast, the Europeans are very strong when it comes to mobile communications and digital TV. My opinion is that 'e-Europe' must build on these advances.

Facing us are major challenges ranging from our economic competitiveness to our cultural identity. I personally believe in Europe's creativity and its ability to be at the leading edge. We have a heritage, a store of knowledge and resources which rank among the finest in the world, and we have the talent and the know-how. I am determined to help assemble them in order to allow Europe to be a leading player and to work towards an information society which is in keeping with its values and its vision of society.



□ IN BRIEF

■ BSCH/Champalimaud: on track at last

The Spanish bank BSCH (Banco de Santander Central Hispano) can at last acquire two banks belonging to the Portuguese group Champalimaud: Banco Totta & Açores and Crédito Predial Português. This has been a test case for controls on concentrations and changes in financial services in the European Union (EU). Authorisation to acquire the two banks was given by the European Commission on 12 January, after the results of its inquiry had shown that their acquisition neither creates nor strengthens a dominant position in the retail banking sector in Portugal. Indeed, the market share of the new entity will be around 11 % only. The initial operation between BSCH and Champalimaud was authorised by the Commission on 3 August 1999, but the Portuguese Finance Minister had already decided in June to block it. The Commission held the blocking to be incompatible with European competition rules. The Portuguese Government lifted its ban on the merger, after the announcement of a new agreement between BSCH and Champalimaud. It should be pointed out that the Commission has exclusive powers to assess concentration operations which have a European dimension.

■ Yes to postage on remailing

Charging internal postage on items of mail entering an EU Member State in large quantities under the remailing system is not contrary in principle to European competition law. However, the postal services handling the incoming trans-border mail can ask the senders only for the difference between the costs paid by the postal services of the sending Member State and the full internal postage in question. To ask for more would amount to an abuse of a dominant position. A ruling to this effect was handed down by the European Court of Justice on 10 February in two cases brought by Deutsche Post – the German Post Office – against two companies which remain in Germany, from Denmark and the Netherlands respectively, documents intended for German residents. The two companies refused to pay the internal postal charges demanded by Deutsche Post for the remailings. The Governments of Austria, Denmark, Finland, France, Greece, Italy and the Netherlands had submitted observations to the Court.

■ Aid for areas in five countries

The European Commission approved on 18 January the list of areas undergoing economic and social conversion in four EU countries – Austria, France, Luxembourg and Sweden – for the period 2000–06. In the case of Finland, the Commission approved a decision in principle on 9 February on two regional development programmes, for the same period, in the framework of aid to areas lagging behind in development. The areas in question in France have a population of nearly 19 million; they will receive more than EUR 6 billion from the EU (EUR 1 = GBP 0.60 or IEP 0.79). In Austria, areas with a population of two million will receive EUR 600 million, while EUR 354 million has been earmarked for areas in Sweden, with a population of some 1.2 million. The corresponding figures for Luxembourg are EUR 40 million and 117 000 inhabitants. As for Finland, the EU's aid amounts to EUR 948 million and covers programmes in the north and east of the country.

The EU Council of Ministers adopted on 24 January, in agreement with the European Parliament, two energy programmes which continue actions already being undertaken. The aim of one of them, Altener, is to promote renewable energy sources, particularly by encouraging private and public investments in the production and use of such energy. This programme will receive EUR 77 million from the EU budget between now and the end of 2002. The second programme, SAVE, deals with the rational and effective use of energy in homes as well as in industry. It has a budget of EUR 66 million until the end of 2002.

Cross-border cooperation between those engaged in cultural activities will continue in the framework of the Culture 2000 programme, which the EU Council adopted on 24 January, after agreement by the European Parliament. The new programme, which has a budget of EUR 167 million in all for the period 2000–04, is a follow-up to the Ariane, Kaleidoscope and Raphael programmes, devoted respectively to books, cultural and artistic activities and the past. Culture 2000 will give priority to innovative and experimental activities.

The European Commission laid down on 2 February attestation procedures to ensure that flat insulating glass conforms to the safety requirements set out in the directive on building products. These procedures allow manufacturers, especially SMEs, to choose whether or not to have their products certified by a specialised body, and thus avoid extra costs. In the absence of European standards for insulating glass units, there are the different national standards, with their own national certification schemes, which are voluntary except in Germany.

An employer cannot refuse to appoint a pregnant woman under an employment contract for an indefinite period on the grounds that she would be unable, by law, to start the job in question at once because of her pregnancy. A ruling to this effect was handed down by the European Court of Justice on 3 February in a case brought by a candidate for the post of nurse in the operating theatre in the Rostock University Heart Surgery Clinic, in the German state of Mecklenburg-Western Pomerania. The applicant, who was employed by the clinic under a fixed-term contract, was refused permanent employment.

The European Commission approved on 11 February an agreement between virtually all the members of the European council of domestic appliance manufacturers (CECED), under which they will stop production and imports of the least energy-efficient washing machines. Although the agreement constitutes in principle an arrangement banned under European competition rules, it nevertheless is advantageous for consumers and protects the environment. Hence the Commission's decision to exempt the agreement from the ban.

The free movement of workers, guaranteed by the EU, does not give a worker who terminates his or her employment contract in order to take up a job in another Member State the right to compensation for dismissal, if such compensation is not provided for under national law. This was the conclusion reached by the European Court of Justice on 27 January in the case of a dispute between an Austrian company and one of its workers, of German nationality, who had resigned in order to work in Germany.

EU Member States have the right to charge VAT on the rent from buildings, and to make an exception only in the case of rent from buildings designed for human habitation. This is how the European Court of Justice has interpreted the sixth VAT directive in a ruling handed down on 3 February 2000. The parties to the case in question, in Spain, were the tenant of an office, who had been turned out by the owner because of a refusal to pay VAT on the rent.

The EU Council authorised Denmark and Sweden on 24 January to take the necessary steps to ensure that those who are liable to VAT

BACKGROUND

Providing information you can count on

THE EUROPEAN MONITORING CENTRE FOR DRUGS AND DRUG ADDICTION

Kathy Robertson, EMCDDA

In today's Europe, the drugs issue conjures up images of unemployment, exclusion criminality and AIDS. It is a problem which occupies and preoccupies many Europeans, whether young people, parents, teachers, social workers, doctors, lawyers, political leaders or the police. It is also a multi-dimensional problem with implications at local, national and international level.

Although action in this area ultimately lies with the local, regional and national authorities in the 15 European Union Member States, the EU itself also has a valuable contribution to make. The organisation plays a key role in publicising good practice, building bridges between nations, and attempting to bring certain laws in the different countries closer together.

Following the signing of the Maastricht Treaty on European Union in 1992, which included drugs for the first time in an EU agreement, the EU has been granted formal powers to address the drug phenomenon. The 1997 Treaty of Amsterdam, which entered into force on 1 May 1999, strengthened the provisions of the Maastricht Treaty further and stressed the importance of reducing drug-related health damage ('harm reduction').

A specialised EU agency on drugs

Amidst other initiatives launched in Europe in the early 1990s⁽¹⁾, a major development was the adoption on 8 February 1993 of an EU Council regulation formally establishing the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)⁽²⁾. In 1995, the Centre opened its doors in Lisbon and is one of the EU's 11 decentralised agencies⁽³⁾.

To quote the EMCDDA's founding regulation, the Centre's mission is to provide 'objective, reliable and comparable' information on drugs to citizens, politicians and professionals working in the field to help them take informed decisions. But why is this type of information so important and what difference does it make?

Picture yourself before the Monitoring Centre existed, when the then 12 EU Member States had 12 different drug-monitoring systems and as many different drug policies, resulting in information that was variable and contradictory. The absence of a harmonised European data-collection system rendered country data incomparable and the accurate assessment of Europe's drug problems virtually impossible, with policies and action at national and EU level based more on speculation rather than on reliable evidence. It was clear that mechanisms were lacking first of all to gauge the extent of Europe's drug problems and then to harmonise data collection in order to help Member States fight drugs together.

The establishment of the EMCDDA, with its mission to better inform decision-makers, marked a major political move to formulate drug-related policy on the basis of sound and comparable scientific and technical findings. The Centre provides the EU Member States with a forum in which to discuss and compare their national policies, and with the tools to exchange information, evaluate programmes and tackle emerging problems. As a result of the Centre's work to date, the picture of Europe's drug problem today is more dependable and meaningful than ever before.

➤ *The work of the EMCDDA focuses on: collecting and analysing existing data on drugs; improving data-comparison methods; disseminating data; and cooperating with European and international organisations and with non-EU countries.*

Recording Europe's drug problems and harmonising data

Every autumn the EMCDDA releases its *Annual report on the state of the drugs problem in the European Union*, a reference book outlining the major features of the drug phenomenon as well as the legal, political and social responses to it in the EU.

The report is based increasingly on reliable and comparable information collected across the EU by national centres in each EU Member State, known as the national focal points (NFPs), as well as the focal point at the European Commission. Together, these 16 information collection points make up Reitox (European information network on drugs and drug addiction), a human and electronic network forming the backbone of the Centre's work.

In order to harmonise this data-collection process, the EMCDDA has devised an instrument known as the 'Information map'. This standardised questionnaire, completed annually by the NFPs, charts the type of drug-related data and information sources per country enabling these data to be collected uniformly across Europe. The results allow the 15 centres to produce a national report on the drug problem in their country which is analysed and synthesised by the EMCDDA in preparation for the annual report.

In the area of epidemiology⁽⁴⁾, the Centre is also implementing five key indicators (gauges of trends) aimed at providing standardised and comparable information on the extent and consequences of drug use in the EU. The indicators include: demand for treatment by drug users; drug-related deaths and mortality among drug users; infectious diseases among drug injectors; drug use in the general population; and prevalence estimates of problem drug use. The data generated by these indicators will help the EMCDDA answer questions such as: how and why new trends in drug use emerge and spread; why

⁽¹⁾ For example, the European Commission's 1990 and 1992 European action plans to combat drugs.

⁽²⁾ Council Regulation (EEC) No 302/93, OJ L 36, 1993.

⁽³⁾ The EU agencies were set up to focus on specific topics ranging from improving working conditions and the environment to combating racism and drugs.

⁽⁴⁾ Epidemiology is a scientific discipline which uses methods from a range of social sciences to collect data describing the nature, extent and distribution of different forms of drug use and their consequences. It identifies factors associated with changes in drug use over time and differences between subgroups, areas or countries, in order to develop appropriate responses.

some groups of people are more affected than others; and whether the different responses to drug-related problems are cost-effective.

Analysing the demand for drugs

Countering the demand for illicit drugs and reducing the appeal of drug-taking are essential in addressing the drug problem. This approach is known as drug demand reduction.

The EMCDDA collects and analyses information on demand-reduction measures taken at individual or group level in the 15 EU Member States. It also examines interventions designed to reduce the harmful consequences of drug use. To date, the Centre's major activities in the demand-reduction field have included: collecting and disseminating information on demand-reduction activities; promoting a culture for scientifically evaluating demand-reduction activities; and studying the development of concepts, practice and terminology to enhance the comparability of data.

To help improve the scientific evaluation of demand-reduction activities, the EMCDDA has developed three practical evaluation tools. These are: the *Guidelines for the evaluation of drug prevention* designed to encourage programme planners to evaluate their prevention activities; the 'Evaluation instrument bank', a database of tools designed to encourage evaluation using standardised instruments at European level; and EDDRA ('Exchange on drug demand-reduction action' – see <http://www.emcdda.org>), a database containing information on evaluated demand-reduction programmes in the EU to increase exchange of experience among professionals. The EMCDDA is also cooperating with the World Health Organisation in collecting and disseminating existing knowledge on the evaluation of treatment. In December 1999, the EMCDDA organised in Strasbourg its second European Conference on the Evaluation of Drug Prevention, 'Evaluation: a key tool for improving drug prevention'. The conference demonstrated how evaluation theory and knowledge may be implemented in daily practice, particularly through the systematic use of the kind of tools developed by the EMCDDA. The event was organised in cooperation with the European Commission.

Rapidly responding to new synthetic drugs

The use of new synthetic drugs is increasingly popular among young people, particularly in recreational contexts such as dance events and 'raves'. Monitoring and controlling these 'designer drugs' is a particular challenge since the substances are relatively easy to manufacture and new variants regularly appear on the drug market.

A joint action on new synthetic drugs, adopted by the Council of the European Union in June 1997, aims to meet this challenge head on. It establishes an 'early-warning system' to detect new synthetic drugs as soon as they arrive on the European market. Subsequently, it provides a mechanism for assessing their risks and finally furnishes a decision-making process through which these products may be placed under control in the EU Member States. The EMCDDA has been assigned a key role in the detection and risk-assessment stages of this process.

Early in 1999, a preliminary report resulting from an exchange of information between the EMCDDA and Europol on the drug 4-MTA (4-methylthioamphetamine) was submitted to the Horizontal Drugs Group (HDG) of the Council of the EU under the German Presidency. The report had been triggered by large seizures of the drug in the second half of 1998 and a number of deaths allegedly linked to the substance.

The *Report on the risk assessment of 4-MTA in the framework of the joint action on new synthetic drugs* issued by the EMCDDA's scientific committee in May 1999 concludes that 4-MTA should be placed under control in the Member States, largely due to the high risks of overdose associated with the drug. This report led to a Council decision, on 13 September, defining 4-MTA as a substance to be placed under control measures and criminal penalties in the EU Member States. In accordance with their national laws, Member States have a maximum of three months in which to introduce the necessary measures. The process leading to the decision is an excellent example of the effective combination of information collection, scientific evaluation and political decision-making.

Making a difference

The 'added value' of accurate and comparable information on drugs can be seen at EU, international, national and local level. At European Union level, the progressive development of a common strategy and competence in the field of drugs is creating an increasing need for reliable information.

At international level, the EMCDDA is increasingly recognised as a reference point for the collection, analysis and dissemination of high-quality information. The United Nations International Drug Control Programme (UNDCP) (*) benefits from the Centre's experience in developing key indicators of prevalence; several Latin American and central and east European countries are looking to the EMCDDA as a potential model; and information exchange has begun with the US Office of National Drug Control Policy (ONDCP). At national level, Member States can now compare and assess their own national situation within the wider European context, benefiting from sharing information with their neighbours and partners, and, where appropriate, developing coordinated responses to common problems. At local level decision-makers, drug practitioners and researchers can benefit from the instruments, databases, analysis and examples of good practice being developed by the Centre in the fields of epidemiology and demand reduction.

The EMCDDA believes that 'objective, reliable and comparable' information is the key to an effective strategy against drugs. Although the Centre's mission is not to propose new policy, it is making a clear impact on data analysis and decision-making through its activities, instruments and standards. Information on the work of the EMCDDA is disseminated via a wide range of publications and on- and off-line products available from the EMCDDA at the address below.

For further information, please contact:

European Monitoring Centre for Drugs and Drug Addiction
Rua da Cruz de Santa Apolónia, 23-25
P-1149-045 Lisbon
Tel. (351) 218 11 30 00
Fax (351) 218 13 17 11
E-mail: info@emcdda.org
Website: <http://www.emcdda.org>

A presentation brochure on the EMCDDA is available free of charge in all the official EU languages. For further information on ordering EMCDDA publications, consult: <http://www.emcdda.org/html/publications.html>

(*) The UNDCP is one of the six international organisations with which the EMCDDA collaborates. The others are Europol, Interpol, the Pompidou Group of the Council of Europe, the World Health Organisation (WHO), and the World Customs Organisation (WCO).

EU enlargement

Key data on the applicant countries

Thirteen countries - Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey - have applied to join the European Union, and these applications were confirmed by the Helsinki

European Council of 10 and 11 December 1999.

This gives us an opportunity to describe the main economic trends in the countries concerned and to compare these with EU-15 data.

Gross domestic product, 1998

7 % of GDP in the EU, 30 % of agricultural value added in the EU⁽¹⁾

	BGR	CYP ⁽¹⁾	CZE	EST	HUN	LVA	LTU	MLT	POL	ROM	SVK	SVN	TUR	EU-15
GDP in current prices (billion ECU)	11.0	8.1	50.1	4.6	42.4	5.7	9.5	3.1	140.7	33.9	18.1	17.4	175.8	7585.6
Annual growth in constant prices (%)	3.4	5.0	-2.3	4.0	5.1	3.6	5.1	4.1	5.0	-7.3	4.4	3.9	2.8	2.7
GDP in constant prices in 1998 (1995 = 100)	86.5	109.8	101.7	119.5	111.4	116.2	118.1	113.6	118.9	89.7	118.5	112.5	118.3	106.8
Gross value added by sector (%):														
— agriculture	21.1	4.6	4.5	6.2	5.9 ⁽²⁾	4.7	10.1	2.8	4.8	17.6	4.6	3.9	16.1	2.3 ⁽³⁾
— industry and construction	28.7	21.9	41.8	26.3	32.7 ⁽²⁾	29.5	31.5	27.5	36.5	40.7	33.3	37.7	27.4	30.7 ⁽³⁾
— services	50.2	73.5	53.7	67.5	61.4 ⁽²⁾	65.8	58.4	69.7	58.7	41.7	62.1	58.4	56.5	67.0 ⁽³⁾

Per capita GDP, 1998

Between 23 and 68 % of the EU average

	BGR	CYP	CZE	EST	HUN	LVA	LTU	MLT	POL	ROM	SVK	SVN	TUR	EU-15
Per capita GDP in PPS ⁽⁴⁾ , EU = 100	23	78 ⁽²⁾	60	36	49	27	31		39	27	46	68	37	100

Industrial production, 1998

Variations of - 20 % to + 30 % since 1995

	BGR	CYP	CZE	EST	HUN	LVA	LTU	MLT	POL	ROM	SVK	SVN	TUR	EU-15
Industrial production index (1995 = 100)	82.6	99.4	108.3	120.0	129.4	123.8	116.1	103.7	127.0	85.8	109.1	105.8	86.8	107.2
Growth rate for industrial production in 1998 (%)	-12.7	2.8	1.6	1.8	12.6	3.1	7.0	0.7 ⁽²⁾	4.8	-17.0	3.6	3.7	1.3	3.3

The national data were collected by Eurostat from the statistical offices in the applicant countries.

The data for Cyprus relate to the territory under the government's control.

(¹) Eurostat estimates.

(²) 1997.

(³) 1996.

(⁴) GDP is expressed in an artificial currency called the purchasing power standard (PPS), so that the volume of goods and services produced by the different countries can be properly compared.

(⁵) 1995.

ISO codes:

BGR	Bulgaria	LVA	Latvia	SVK	Slovakia
CYP	Cyprus	LTU	Lithuania	SVN	Slovenia
CZE	Czech Republic	MLT	Malta	TUR	Turkey
EST	Estonia	POL	Poland		
HUN	Hungary	ROM	Romania		

Labour market, 1998

Unemployment rate ranging from 3.3 to 16.0 %
Agriculture accounts for between 1.8 and 42.0 % of total employment



	BGR	CYP	CZE	EST	HUN	LVA	LTU	MLT	POL	ROM	SVK	SVN	TUR	EU-15
Economic activity rate (%)	50.4	61.5	61.0	61.2 ⁽²⁾	51.7	58.8	61.4		57.3	63.6	59.9	59.4	51.3	67.5 ⁽²⁾
Unemployment rate (%)	16.0	3.3	6.5	9.9	7.8	13.8	13.3	5.1	10.6	6.3	12.5	7.9	6.4	10.0
Agriculture: % of total employment	25.7	9.6	5.5	9.4 ⁽²⁾	7.5	18.8	21.0	1.8	19.1	40.0	8.2	11.5	42.3	5.2 ⁽²⁾

Prices, national currency and government deficit, 1998

Wide range of inflation rates and
trends in the value of national currencies



	BGR	CYP	CZE	EST	HUN	LVA	LTU	MLT	POL	ROM	SVK	SVN	TUR	EU-15
Inflation rate 1998 (%)	22.3	2.2	10.7	10.5	14.3	4.7	5.1	2.4	11.8	59.1	6.7	7.9	84.6	1.3
Consumer price index (1995 = 100)	3224.4	109.0	130.7	151.3	167.0	133.4	142.7	108.2	154.0	578.4	119.8	128.6	618.4	105.4
Appreciation/depreciation of the National currency against the ecu (1995 = 100)	4.5	102.5	95.5	95.2	68.4	104.4	116.7	106.1	80.9	26.7	98.3	83.3	0.2	
General government deficit/surplus (% of GDP)	-0.3 ⁽²⁾	-0.9 ⁽⁵⁾	-2.2 ⁽²⁾	2.6 ⁽²⁾	-5.4 ⁽²⁾	1.8 ⁽²⁾	-0.7 ⁽²⁾	-7.7 ⁽³⁾	-2.6 ⁽²⁾	-3.5 ⁽³⁾	-4.4 ⁽²⁾	-1.5 ⁽²⁾	-7.2	-1.5

External trade, 1998

Deficits in all countries
The EU - a very important trading partner



	BGR	CYP	CZE	EST	HUN	LVA	LTU	MLT	POL	ROM	SVK	SVN	TUR	EU-15
Trade balance (million ECU)	-607	-2354	-2198	-1376	-2409	-1232	-1858	-742	-16792	-3154	-2045	-936	-16359	+19200
EU share of total imports %	45.0	61.9	63.3	60.1	64.1	55.3	50.2	69.3	65.9	57.7	50.4	69.4	52.4	
EU share of total exports %	49.7	50.4	64.2	55.1	72.9	56.6	38.0	52.8	68.3	64.5	55.8	65.5	50.0	

The national data were collected by Eurostat from the statistical offices in the applicant countries.

The data for Cyprus relate to the territory under the government's control.

(¹) Eurostat estimates.

(²) 1997.

(³) 1996.

(⁴) GDP is expressed in an artificial currency called the purchasing power standard (PPS), so that the volume of goods and services produced by the different countries can be properly compared.

(⁵) 1995.

ISO codes:

BGR Bulgaria

LVA Latvia

SVK Slovakia

CYP Cyprus

LTU Lithuania

SVN Slovenia

CZE Czech Republic

MLT Malta

TUR Turkey

EST Estonia

POL Poland

HUN Hungary

ROM Romania

Source: Eurostat - Memo N°10/99.

have to deal with only one national administration in order to recover this tax on the toll for using the Øresund fixed link, between the two countries. This measure is a derogation from the sixth VAT directive.

Those national laws which generally exclude **women from military duties involving the use of arms** are contrary to the EU directive implementing the equality of the sexes as regards access to jobs. This was the ruling handed down by the European Court of Justice on 11 January in a case involving Germany and a female electronics specialist, who had applied for a job with the German army's maintenance units. The British and Italian Governments had intervened in support of the federal government.

Persons resident in France but working in another EU Member State cannot be required to pay either the general social contribution (CSG) or the social debt repayment contribution (CRDS). This was the conclusion reached by the European Court of Justice on 15 February in a case involving the French Government and the European Commission. The proceeds of the CSG are paid to the national family allowance fund and the old-age solidarity fund, while those of the CRDS are intended to reduce the deficit of the general social security scheme.

● Improving cross-border payments

Bank charges for a credit transfer of EUR 100 between two EU countries vary at present between EUR 5 and EUR 20, whereas a domestic credit transfer of the same amount usually costs less than EUR 1. What is more, cross-border credit transfers of small sums are still slower than domestic transfers, despite the existence of an EU directive setting both time limits and ground rules for credit transfers of under EUR 50 000. In order to get banks and credit institutions to do better, the European Commission announced several initiatives in a paper published on 4 February. It plans, for example, to evaluate the level of bank transfer charges and to publish its findings on the Internet every six months. It also plans to convene a round table this autumn, with a view to encouraging banks to modernise the infrastructure used for 'small' credit transfers. The Commission is also asking the banks to commit themselves to implementing the procedures developed by the European Committee for Banking Standards (ECBS) no later than 1 January 2002, the date for the introduction of euro notes and coins. Banks are also being asked to phase out the remaining discrimination in fees between cross-border and domestic payment cards. The full text of the Commission's paper is available on the Internet (<http://europa.eu.int/comm/dg15>), under the heading 'What's new?'

● A 10 % rise in EIB lending in 1999

The European Investment Bank (EIB) last year provided EUR 31.8 billion in loans, including EUR 27.8 billion for investment within the EU, as against EUR 25.1 billion in 1998. This represented an increase of 10.5 %, as the EIB announced at its annual press conference on 3 February. More than two thirds of the total was devoted to supporting projects in areas aided from the EU budget, with the emphasis on areas which have lagged behind in development, more particularly in Greece, Spain and Portugal, as well as in Germany's eastern *Länder*. Loans to SMEs, through the banking system, rose to EUR 2.8

STRATEGIC OBJECTIVES 2000-05

The European Commission, under its President, Romano Prodi, adopted on 9 February its strategic objectives for the period covering its term of office, which ends in January 2005. The four main objectives deal with the major challenges facing the EU in the coming years. The first is to help the European Union find new forms of governance. This involves reform of the European institutions, including the Commission itself, so as to adapt them to the EU's forthcoming enlargement, as well as improving cooperation between the different levels of governance – local, regional, national and European. The second objective concerns the EU's role in Europe and in the world at large. It involves making a success of enlargement and developing a genuine European foreign policy. The third objective focuses on economic and social policy. The aim is to modernise the economy for the digital age, in a way which promotes employment and sustainable development, even while combating regional disparities and social exclusion. The fourth and last objective is to secure a better quality of life, particularly as regards the environment, food safety, consumer rights, justice and security against crime and transport.

billion and covered 11 500 firms, 80 % of them in EU-aided areas. The EIB at the same time approved last year EUR 470 million in loans to venture capital funds which support innovative SMEs. In addition, it provided some EUR 10 billion in loans for the development of trans-European networks (TENs) in transport, telecommunications and energy. Environmental protection was not neglected, as it was allocated EUR 6.2 billion in all. A single project can have several objectives, of course: it can seek to foster regional development and support SMEs, for example.

● Euro: the last phase

With less than two years to go before the introduction of euro banknotes and coins, the European Commission feels it is necessary to launch the last phase of the campaign aimed at both citizens and businesses. This, in fact, is the aim of the paper it adopted on 2 February. Companies, and SMEs in particular, will be the focus of this year's communication campaign, as they simply must plan the transition to the euro. It will be the turn of the general public next year. The campaign will continue into the early part of 2002. Most cash transactions are expected to be in the single currency by the beginning of March 2002. While primary responsibility for publicising the euro rests with the Member States, the EU provided some EUR 115 million between 1996 and 1999, while another EUR 32 million is available for this year. Two thirds of these sums are spent by the Member States in the framework of agreements between national governments, the European Parliament and the Commission. Thirteen of these agreements are already in operation; they involve the 11 euro area countries as well as Greece and Sweden. Only the UK and Denmark, which can remain outside the euro area even if they meet the participation criteria, have shown no interest in the subject so far.

○ IN BRIEF

The EU officially opened on 15 February **entry negotiations with six additional countries**, in line with the decisions of the Helsinki European Council of last December. The six countries are: Bulgaria, Latvia, Lithuania, Malta, Romania and Slovakia. The EU is already negotiating with Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia.

With a view to **clarifying the interpretation of the third insurance directives**, the European Commission published a paper on 8 February which deals basically with two issues. It makes a distinction between the activities undertaken under the freedom to provide services and business carried on through a branch. The text also explains the context in which an EU Member State can invoke the general good in order to regulate the exercise of the insurance business by a firm in another Member State. The text is available on the Internet (<http://europa.eu.int/comm/dg15>) under the heading 'What's new?'

What are the conditions under which **mobile roaming** – the use of mobile phones on a different mobile network than the one to which the user subscribes – is taking place? In order to find out, the European Commission asked for clarification on 4 February from nearly 200 national competition authorities and telecommunications regulators, as well as mobile network operators and service providers. According to the international telecommunications users group (INTUG), the rates for mobile communications between two EU countries, with or without roaming and to the same destination, can differ by up to 500 %.

Eurostat, the European statistical office, launched on 8 February a new Eurostat website (<http://www.europa.eu.int/comm/eurostat/>), which offers new services, as well as statistics relating to the EU. Thus a free subscription to 'Eurostat alert' makes it possible to keep posted on updates or to receive information on selected themes automatically. Publications and CD-ROMs can also be ordered through the new website.

In order to apply the 'polluter pays' principle more effectively, the EU should adopt a framework directive on **environmental liability**. This is the main suggestion from the European Commission contained in a White Paper published on 9 February. The aim is to prevent environmental degradation through human activity, by fixing responsibility as in the case of the sinking of the *Erika*. The Commission welcomes reactions and comments before 1 July, by e-mail to Carla.Devries@cec.eu.int or Charlotta.Colliander@cec.eu.int.

The setting-up of a **European Food Authority**, the reform of EU legislation and more effective controls are suggestions by the European Commission, contained in a White Paper on food safety, published on 12 January. As a complement to it, the Commission adopted on 2 February a communication in which it explains just how it plans to apply the **precautionary principle** when human health and the environment are threatened.

The high-level group on the creation of a **single European sky**, which brings together the most senior national leaders in civil and military aviation, began work on 27 January. It has set up six specialised working groups, dealing with various aspects of air traffic.

The final aim is to reduce the number and length of delays in air transport.

With a view to preparing young people for the **new economy**, the European Commission submitted a number of recommendations to the authorities in the Member States, and to employers' organisations and trade unions, on 7 February. They include linking every school to the Internet by 2002.

As of last 1 November, **car prices** still varied a great deal between EU Member States, although differences had narrowed within the euro area. This is one of the findings of the European Commission's latest half-yearly report on car prices, published on 7 February. A shortened version of the report is available on the Internet (<http://europa.eu.int/comm/dg04/aid/en/car.htm>).

The **European Court of Justice** and the European Court of First Instance have to handle too many cases in relation to the resources available to them. With this as its starting point, a discussion group led by Ole Due, a former President of the Court of Justice, submitted proposals for reform in a report published on 7 February by the European Commission. It suggests, in particular, that national judges be encouraged to apply European law through amendments to the EC Treaty. The report is available on the Internet (<http://europa.eu.int/en/comm/sj/homesjfr.htm>).

SEEN FROM ABROAD

► Zagreb looks towards the EU

The new Prime Minister of Croatia, Ivica Racan, who heads the government resulting from the recent elections, declared on taking office on 27 January: 'We are going to do everything to make it clear very quickly that Croatia is a good political and economic partner for Europe and the European Union'. The new Croatian President, Stipe Mesic, elected on 7 February, said much the same thing when he declared the next day, 'We want to fulfil our strategic goals of entering the European Union and NATO as soon as possible'. As for Ivan Jakovcic, the new Minister for European Integration, he expressed the hope on 10 February that his country will join the EU by 2006. Croatia was ruled for more than nine years by the nationalist party of President Franjo Tudjman, who died last December.

▷ IN BRIEF

The **President of the US Federal Reserve Bank**, Alan Greenspan, declared on 13 January that in 10 years' time the creation of the euro would be seen as the most important monetary event of the 20th century. According to him, the euro is a remarkable instrument, which is helping improve the European financial system. Mr Greenspan added that he would never have thought, some 12 to 15 years ago, that the European single currency would see the light of day.

The text of this issue was completed on 15 February 2000.



The contents of this publication do not necessarily reflect the official views of the institutions of the European Union. Reproduction is authorised provided the source is acknowledged. 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. European Commission, Education and Culture Directorate-General, rue de la Loi/Wetstraat 200 – B-1049 Brussels OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES, L-2985 Luxembourg