



Monthly newsletter on the single internal market

1990 — a crucial year for '1992'

The Commission's report on the state of progress of the internal market

Irreversibility and anticipation have characterized work in recent months.

Irreversibility is the result of the impetus given to decision-making and can be illustrated by means of the following figures:

- Almost 60 % of the proposals for the 1992 programme have now been adopted. This total includes key decisions in such areas as the liberalization of capital movements and the mutual recognition of diplomas.
- There is no comparison between the past and present pace of decision-making. In the area of public procurement, it took the Council four-and-a-half years during the 1970s to agree on a Directive on supplies — and only one-and-a-half years to reinforce it substantially. Similar examples are to be found in all areas.
- The possibility of putting proposals to the vote has led to the rapid adoption of directives. It is very seldom that matters that could be resolved by qualified majority voting appear repeatedly on the Council's agenda. Decision-making has also been speeded up by the Commission's approach, combining mutual recognition and harmonization. It has led to agreement on technical regulations and to the elimination of certain border checks.

Anticipation characterizes the work of both business circles and governments. The authorities are taking measures in the 1992 context in such diverse areas as the budget, physical planning and taxation. These preparatory measures have played their part in strengthening the Community economically and politically since 1984. Industrial output has grown by 20 % and 8.5 million jobs have been created. The single market is already having a dynamic effect on intra-Community trade, which climbed back in 1988 to its early-1970s level, after being in constant decline between 1973 and 1985. This turnaround is the best testimony to the revitalization of economic integration in the Community! Firms are planning to step up investment to meet a surge in demand motivated by the prospect of 1992. They are taking decisions both on allocating resources in-house and on establishing strategies on acquisitions and cooperation. This attitude reflects the credibility lent by the speed of progress towards 1992.

But these positive aspects must not obscure the difficulties being encountered at three levels:

- Matters requiring the Council to be unanimous are falling behind schedule (taxation, for example). While 19 % of the programme's proposals require unanimity, the proportion rises to 23 % of the 139 proposals before the Council.
- The transposition and implementation of Community legislation is giving similar cause for concern. Most Member States have become aware of the backlog and the situation has improved considerably: 70 % of the necessary implementing measures have now been taken and, while in September only seven measures had been transposed throughout the Community, this figure has now risen to 21. Progress has been much slower in some countries, however. No less worrying is the lack of improvement in compliance with judgments of the European Communities' Court of Justice.
- There is continuing concern about the abolition of frontier formalities. These formalities are of two kinds: customs controls on goods, including goods carried by individuals, and identity checks on travellers themselves. Progress has been made in the first area, which requires Community legislation. But it does not represent a qualitative leap forward. Work on identity checks is carried out at intergovernmental level, so that Member States have sole responsibility for speeding up their work.

Any deviation from the timetable could affect the chances of establishing the system by the end of 1992. It is therefore essential that the EC Council of Ministers provide the political will needed to ensure that the timetable does not slip. The Commission therefore solemnly appeals to the European Council to take the measures needed to establish a border-free area.

In short, the Community is now at a crucial stage in the implementation of the Single Act. This year will determine whether or not the objectives of the 1992 programme are met. ■

The European Commission proposes a single currency (see p. 2)

Decisions

■ Economic and monetary union — Act I

The first stage of economic and monetary union will begin on 1 July 1990 as scheduled, the EC Council of Ministers having taken on 12 March the two decisions which were still outstanding. The first of these gives the committee of central bank governors (Bank of England, Bank of Ireland, etc.) a much bigger role. They will consult with each other on the broad lines of their policy — on credit and foreign exchange markets, for example. They will also regularly exchange information, while the Member States will have to consult the committee before taking important decisions in the monetary field. The committee, which has been entrusted with the task of improving the coordination of the monetary policies of the Twelve, will give its opinion to the governments of the Member States and the EC Council of Ministers. The second of these decisions makes the Council responsible for monitoring the economic policies of the Community and its Member States. The aim is to arrive at national policies which are both compatible and ensure growth, even while reducing both inflation and unemployment as far as possible. The Council will examine the policies of the Twelve at least twice a year, but has yet to decide exactly how it will go about it.

■ Biotechnology in the single market

In the Europe of 1992 the marketing of biotechnology products will have to meet the same safety rules in all the Member States. The Community's Environment Ministers approved on 22 March a Directive (Community 'law') which provides for a system of assessing the risks posed by biotechnology products to both public health and the environment. The marketing of such products will require special authorization; it will be granted by the national authorities but will be valid throughout the Community. Biotechnology is a growing industry and the new regulation is in response to the need to keep a close watch on products obtained by altering the genetic material of bacteria, plants or animals. These products can be used to manufacture vaccines or pesticides and to clean up oil spills. But handled carelessly, they can result in accidents. To guarantee their safe use in laboratories, the Community's ministers approved another Directive.

■ Cross-border advertising wins out

European Community consumers, especially those living in border areas, must have free access to advertising in the neighbouring Member State, even though it is in violation of national legislation. The EC Court of Justice takes the view that Europeans have the right to buy where they like within the 12-nation European Community, and to be kept fully informed of the bargains on offer. Hence its ruling of 7 March, in favour of a supermarket based in the Belgian town of Arlon. The supermarket had distributed in nearby Luxembourg leaflets announcing a special offer. The information they contained included the period for which the offer was valid as well as the prices prior to the offer. As such information is banned in Luxembourg, the local trading body took the Belgian supermarket to court. The matter came before the Luxembourg Appeal Court, which sought the opinion of the Community's judges. The latter came out in favour of cross-border advertising; they noted in passing that the references which are banned in Luxembourg — and in Germany — are allowed in the other member countries.

■ Yes to cross-border public procurement

National laws which provide that a percentage of public supply contracts must be reserved for companies established in certain areas of the country are in head-on collision with the Treaty of Rome, the Community's 'constitution'. The EC Court of Justice said so clearly on 20 March, when it struck down an Italian law of 1986 which requires all public bodies, including bodies in which the State is a partner, to place at least 30 % of their orders with firms located in the Mezzogiorno. The Court thus ruled in favour of a firm that had been excluded from part of a public supply contract in Tuscany because it was not established in the Mezzogiorno. The Court's ruling was all the more significant, given that other Community countries — not only Germany and the United Kingdom but also, and especially, Greece — have similar legislation. The European Commission in fact reminded the Twelve last July that such regional preferences should disappear before the end of 1992. It envisaged their continued existence only in the case of contracts too small to come within the scope of Community legislation on public procurement.

Initiatives

● Ideas for a common currency

A single currency — the ecu. This is the goal of economic and monetary union (EMU), according to the latest thinking of the European Commission, presented on 20 March. The ecu (European currency unit, the Community's monetary unit) could become a genuine currency during the third and last stage of EMU, set to begin in 1996. (The first stage begins on 1 July 1990.) The names and symbols of the various national currencies could be retained alongside the ecu, like so many effigies. But they would all have the same value. The Commission also envisages the creation of EuroFed, an institution which would have the task of defining a European monetary policy: interest rates, credit, foreign-exchange market, for example. EuroFed would have a role similar to that of the German and American federal banks. The central banks of the Member States (Bank of England, Bank of Ireland, etc.) would implement the common European policy. EuroFed would be committed to price stability. The Commission believes that EMU would result in savings of between ECU 15 to 20 billion a year (1 ecu = UK £ 0.72/IR £ 0.77), thanks to the elimination of foreign-exchange transactions. It would also lead to a fall in interest rates and stimulate economic growth. But EMU can only come about after the completion of the single market; it would require amendments to the Treaty of Rome, the EC's 'constitution'. This is something the Twelve will begin work on from this December, with an intergovernmental conference.

● Homeopathy and the 1992 single market

The European Commission would like to see the words 'homeopathic product' stamped clearly on all homeopathic preparations, whether for use by humans or animals, by 31 December 1992. The Commission proposed to the Twelve on 28 March that Community legislation on patent medicines be extended to such medicines. In the case of homeopathic medicines manufactured industrially, the Commission envisages a marketing authorization system which guarantees their quality and

EUROPE — A FRESH START

The Schuman Declaration — 1950-90

The European Community is celebrating its 40th birthday. On 9 May 1950, when he proposed the creation of a Community of peaceful interests to Federal Germany and any other European countries that wanted to join in, Robert Schuman performed a historic act. In extending a hand to recent enemies he wiped away the bitterness of war and the weight of the past. But he also sparked off a completely novel process in the international order by suggesting to the old nations that they should pool their sovereignty, to regain the influence that none of them was capable of wielding alone.

The European Community, which has been developing day by day since then, constitutes the grand design of the late twentieth century. It draws its motive force from the generous visionary dream of the founding fathers, born of the war and inspired by a will to create among the nations of Europe the conditions for a lasting peace. This force is being constantly renewed, spurred by the challenges confronting our countries in a world of radical, rapid change. One has only to consider that the world population will increase from four to six billion over the next twenty years to gauge the scale of the changes to which our societies will have to adapt.

Consider, too, the tremendous yearning for democracy and freedom that is overturning political structures in Eastern Europe and giving a new dimension to the ideal of European unity.

For Europeans the issue is clear cut. Either they continue to organize themselves, pulling together to make their voice heard in the world, to uphold the democratic ideal and to defend their economic and strategic interests. In which case Europe will continue to represent more than Paul Valéry's 'small cape of Eurasia'. It will be a factor for balance between the superpowers and a factor for moderation in relations between the hyper-industrialized countries and countries with a development problem. Or, alternatively, Europeans will fail to perceive the solidarity which binds them and fail to equip themselves with the instruments

to make their common interests a reality. In which case individual economies will be reduced to playing a subordinate role and standards of living will decline. Europe, a mere geographical entity, will come under the influence of outside powers which will extort the price of its dependence and its need for protection.

With the approach of 1993, the target solemnly set by the Member States and the Community's institutions, Europeans, looking back over the distance travelled since 1950, must still find the answers to some basic questions. What are the fundamental values that they hold dear and how best can these be preserved? What degree of union is desirable, and possible, in order to derive optimum benefit from unity while preserving national identity and the individuality which constitutes the richness of our countries, our regions and our cultures? Can we advance in step, relying on the natural harmony that makes for consensus between the Twelve, or must we bow to conflicting approaches and differentiate the pace of integration? Where are the Community's ultimate boundaries to be set, now that so many nations — Turkey, the countries of Central and Eastern Europe and the Balkans — are asking to join us in the process of unification? How can the man in the street be made to feel part of the Community enterprise, how can an attachment to Europe be fostered to complement and transcend traditional allegiances? These issues of principle must be confronted if Europeans are to avoid running into blind alleys. The answers to these basic questions will determine the precise, technical choices faced day by day by those responsible for running the Community enterprise.

In 1990 the European Community is in good shape. It has lived up to the expectations of those who brought it into being, and has proved worthy of the efforts of those who, over four decades, shielded it from assault from without and helped it to survive innumerable crises. Today Europeans settle their differences peacefully, having recourse to the law and conciliation. Discrimination and feelings of superiority have been

banished from relations between the Member States, which have given the four Community institutions — the Council, the Parliament, the Commission and the Court of Justice — the task of arbitrating and managing their gains as well as their clashes. The standard of living of the man in the street has been substantially raised and is now much higher than it would have been had individual economies not been able to take advantage of economies of scale and higher growth resulting from the common market and the development of trade. The European Community has become a pole of attraction, the focus of the expectations of countries, near or far, that are taking a keen interest in the dynamic of union and want to consolidate their renascent democracies or rebuild their devastated economies. Will the Community be the victim of its own success? Is that success so firmly established that the Community can open its doors to others in the foreseeable future, without risking implosion or loosening the essential ties that ensure a minimum of cohesion?

At forty the European Community is maturing. It is on the brink of key decisions that will determine its fate. It is well placed to measure how far it has travelled, to reflect on its origins, to draw conclusions for the way ahead.

Will Europe be a political entity? Will the single European market be rounded off by monetary union? What policies need a common framework and pooled resources if they are to find material and effective expression?

Adoption of the Single European Act in 1986 marked the beginning of a period of frenetic activity. In February 1988, by adopting the Delors plan, the Twelve swept away the remains of the past which had poisoned the early eighties. The ordering of financial resources up to 1992 has created 'budgetary peace' between the institutions and is providing the necessary solidarity to enable the less prosperous countries to withstand the impact of the large market. Ongoing reform of the common agricultural policy is helping to diversify the range of common policies, releasing additional resources for forward-looking policies such as technological research, environment protection and vocational training.

The directives needed to complete the single market are following the timetable programmed by the Commission. The point of no return has already passed, giving all concerned the firm conviction that it is better to prepare for change than to bow to it. The Madrid European Council in June 1989 approved the main features of an

ambitious programme that is to lead to the attainment of economic and monetary union, on the lines of a phased masterplan proposed by the Commission. In July the Western Economic Summit in Paris gave the European Commission the task of coordinating western aid to Poland and Hungary, thereby consolidating the Community's role as a committed partner in a world-scale operation and recognizing the existence in Eastern Europe of a situation without precedent since the war, an omen of hope and major developments.

And in June again voters exercised the franchise in the third direct elections to the European Parliament, establishing the vital democratic link between popular legitimacy and European integration. Backed by a mandate designating them as intermediaries between the electorate and the institutions, the 518 MEPs are preparing to give fresh impetus to the advance towards European Union as Parliament did in 1984 when it adopted the draft Treaty fathered by Altiero Spinelli.

In 1990 there will be further developments on the institutional front as a result of the Strasbourg European Council's decision on 9 December 1989 to convene an intergovernmental conference on economic and monetary union.

Europe at forty is flying high. Hopes are commensurate with the ambitions and challenges, but the danger of failure cannot be excluded. At the crossroads of great decisions, options are critical. Those who hold Europe's future in their hands must find this inspiration in the basic method and principles which led to the European Coal and Steel Community, the very first European venture, since supplemented by the European Economic Community and Euratom. A 'leaven of change' has been injected into intra-European relations and new effects are being produced every day.

Forty years after it was first put to the test, the Community method, the outcome of the organized dialogue between the Member States and the common institutions, wielding delegated sovereignty, is a shining reality. It is making the optimum contribution to solving the major problems confronting Europeans. It, and it alone, is capable of advancing the cause of European integration.

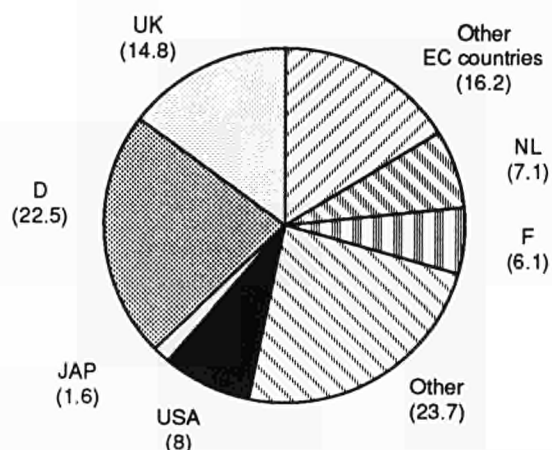
Introduction from the booklet 'Europe — A fresh start. The Schuman Declaration 1950-90' by Pascal Fontaine, which has just been published as No 3/1990 in the European Documentation series.

It is obtainable from:

The Commission of the European Communities, Office in the United Kingdom, 8, Storey's Gate, London SW1P 3AT.

The Commission of the European Communities, Office in Ireland, 39, Molesworth Street, Dublin 2.

Main countries of origin of tourists visiting the EC, 1987 (%)




International tourism: who goes where?

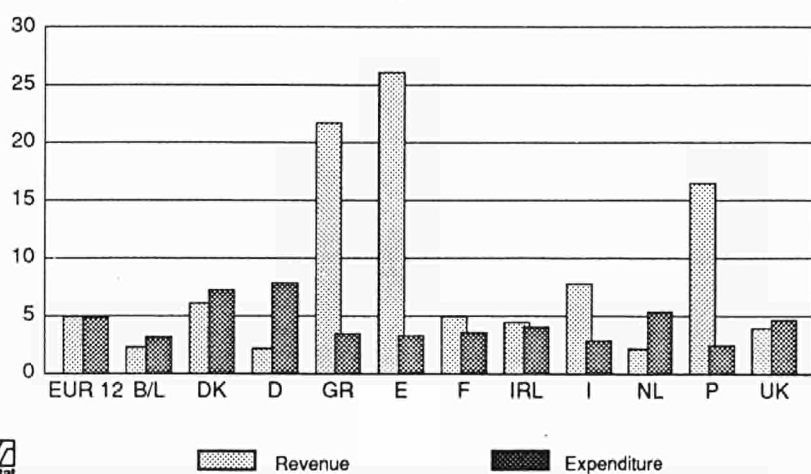
The Germans represent 22.5% of the tourists visiting the EC, the British 14.8% and the Americans 8%.

Large numbers of Germans go to the Netherlands and Italy, while the British and Americans prefer Ireland.

Luxembourg receives the greatest proportion of tourists from the EC.

(%)	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
EUR 12	80.3	55.7	48.9	69.6	:	:	69.6	70.1	91.5	78.3	81.7	39.1
D	15.5	35.6	-	21.4	26.5	17.0	10.6	44.0	7.2	49.6	16.3	8.9
UK	10.7	4.4	8.8	24.5	33.3	:	35.0	7.6	3.0	10.9	33.6	-
USA	7.3	5.7	14.7	1.5	1.9	9.7	22.4	4.2	3.5	6.1	3.8	16.4

Proportion of travel in the balance of payments, 1987 (%)



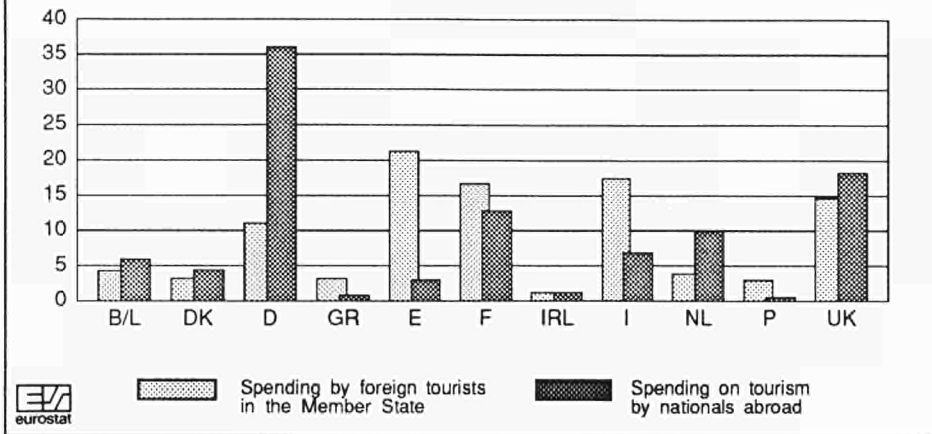

The economic importance of tourism

The greatest surpluses (in percentage terms) are enjoyed by Spain, Greece and Portugal, where tourism is a basic sector – accounting for up to 26% of the revenue in Spain's balance of payments.

In volume terms, Spain has the largest surplus, followed by Italy and France.

(million ECU)	EUR 12	B/L	DK	D	GR	E	F	IRL	I	NL	P	UK
Revenue	60 392	2 585	1 923	6 694	1 907	12 853	10 097	725	10 540	2 348	1 834	8 886
Expenditure	56 597	3 370	2 479	20 456	439	1 696	7 267	705	3 928	5 577	340	10 340
Balance	3 795	- 785	- 556	- 13 762	1 468	11 157	2 830	20	6 642	- 3 229	1 494	- 1 454

Member States' shares of the money flows
for international tourism in the EC, at current prices, 1987
(EUR 12 = 100%)



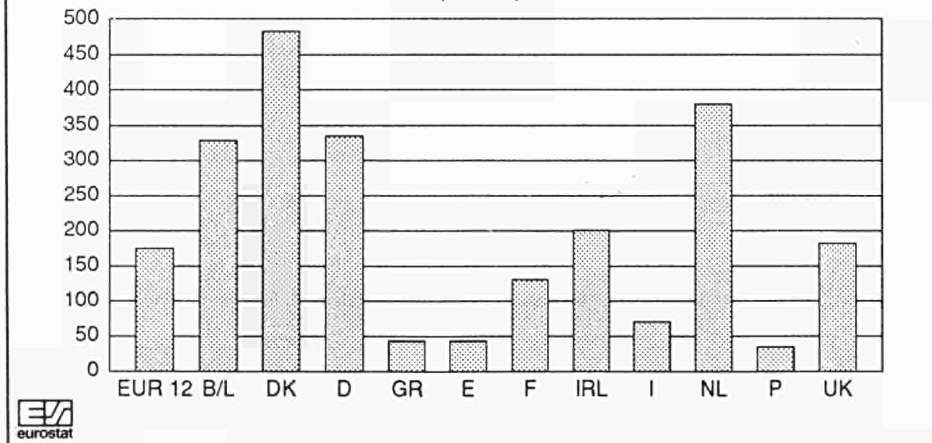
Revenue from and spending by tourists

The Spaniards lay third in the revenue table in 1980, and rose to first place in 1987 (21.3% of the EUR 12 total compared with 15.7% in 1980), while the Italians' share decreased.

While the Germans remained the heaviest spenders, the proportion decreased, whereas the proportion for the British increased.

(% of total EUR 12)	EUR 12	B/L	DK	D	GR	E	F	IRL	I	NL	P	UK
Revenue, 1980	100.0	4.1	3.0	14.2	3.9	15.7	18.7	1.3	20.2	3.8	2.6	15.6
Expenditure, 1980	100.0	7.3	3.5	45.0	0.7	2.7	13.4	1.3	4.3	10.4	0.6	14.2
Revenue, 1987	100.0	4.3	3.2	11.1	3.2	21.3	16.7	1.2	17.5	3.9	3.0	14.7
Expenditure, 1987	100.0	6.0	4.4	36.1	0.8	3.0	12.8	1.2	6.9	9.9	0.6	18.3

Per capita expenditure on tourism (expenditure abroad by country A/total population of country A), 1987
(ECU)



How much is spent?

On average, Europeans spent ECU 175 per capita in 1987 on foreign travel.

The amount varied between ECU 483 (DK) and ECU 35 (P), a range of 1 to 13.8, whereas per capita GDP ranged from 1 to 5.2.

In 1987 Europeans spent 1.5% of their GDP on tourism.

	EUR 12	B/L	DK	D	GR	E	F	IRL	I	NL	P	UK
Average expenditure (ECU)	175	329	483	335	44	44	131	201	71	380	35	182
Per capita GDP, current prices (ECU)	11 516	12 313	17 235	15 867	4 151	6 476	13 742	7 285	11 504	12 664	3 288	10 213
Expenditure on tourism (% of GDP)	1.5	2.6	2.8	2.1	1.0	0.6	0.9	2.8	0.6	3.0	1.0	1.8

ECU conversion rates (ECU 1 = ...), 1987 average

B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
43.039	7.884	2.071	156.220	142.192	6.928	0.775	1 494.710	43.039	2.334	162.581	0.704

harmless nature. The system would also allow such products freedom of movement in the single market. Homeopathic products are currently to be found in all Community countries. However, while certain Member States officially recognize homeopathy others ignore it completely, or tolerate it at best. These differences, as well as the growing success of homeopathic medicines, point to the need for Community legislation in the matter. The system put forward by the Commission in no way affects the right to prescribe and prepare medicines 'made-to-measure' according to existing national rules.

Germany and European integration

'If, in the 12 to 24 coming months, we take decisive steps towards German unification, these steps must also, I am convinced, match progress in the unification of Europe. There is an important date — it is 31 December 1992, the date for the completion of the single European market which, I hope, will be a market not of 320 million but of 336 million citizens (including East Germans). This question is more topical than ever before. We must work hard and everything must take place as we have agreed upon . . . I think it is well — and I express it here as the German position — that in the unfolding of the timetable envisaged for this task (economic and monetary union), that is to say, 1991 and afterwards, we will concentrate our activities. We would be advised to move more quickly in this direction also because of what is happening in Germany. And I would willingly pick up the idea . . . that at the European Summit at the end of the year we should examine the question of whether it is not more sensible to move towards political union during another intergovernmental conference (of the Twelve) . . . In five years' time it will be obvious that this German union represents a helping hand and not a downturn for the Community.'

Helmut Kohl, Chancellor of the Federal Republic of Germany, during his visit to the European Commission in Brussels on 23 March

BRIEFLY

- Ahead of the decisions to be taken by the Twelve, the Italian and Spanish Interior Ministers, **Antonio Gava** and **José Luis Corcuera**, signed a treaty in Madrid on 23 March allowing the authorities of each country to board and inspect, outside their respective territorial waters, vessels registered in the other and suspected of drug trafficking. Such action is contrary to traditional international law.
- European rules for compensating passengers who are victims of **overbooking by airlines**: If the Twelve are in agreement, these rules will come into force at the end of 1991, following a proposal submitted by the European

Commission on 21 March. The victims of overbooking — roughly one passenger out of 10 000 in the Community — would receive at least 25 % of the price of an economy class ticket as compensation.

- The **telecommunications network for the single market** took an important step forward in 1989. According to a report adopted on 26 March by the European Commission, the Twelve established last year two-thirds of the technical standards needed to set up the integrated services digital network (ISDN). The network will bring together, at the European level, both telephone and telefax services as well as the transmission of data and images.

- **Anticipating the single transport market**: From 1 January 1991 **hauliers** established in any one of the three **Benelux countries** will be able to work freely in the other two. Belgium, Luxembourg and the Netherlands have decided to adapt their national legislation to make this possible, according to an announcement by the Dutch Transport Ministry on 26 March. Restrictions will remain at the Community level until 1992. The Twelve, in fact, have yet to decide on the system that will come into force definitively for 1993 and the years beyond.

- **If summer time continues after 1992**, it will have to meet the requirements of the single market and be European, according to the European Transport Commissioner, Karel Van Miert. He was speaking on 21 March, following the relaunching of the debate on summer time. At present Community legislation requires the Twelve to move to summer time on the same date, although it allows Britain and Ireland to set their clocks back after the others. The Commission is studying the pros and cons of the system, in order to propose a definitive system for 1993.

Seen from abroad

► Poland wishes to join

'We are preparing ourselves for an association agreement, leading to full membership of the Community in the long term', according to Zbigniew Kamecki, a senior official in Poland's Ministry of Economic Cooperation. He was speaking at a conference organized on 23 March on the theme 'East-West — cooperation between the two Europes'. Mr Kamecki stressed that his country had begun to adapt itself to the requirements of the single market, but had to speed up the process of moving closer to Community laws and policies. Warsaw is looking particularly for outlets for its agricultural exports and access to public contracts in the 12 Member States as well as to certain research programmes.

- **Eleven members of the Swiss Parliament** have set up a special group to promote their country's entry into the European Community.

- **South Korea's Minister for Foreign Affairs, Choi Ho Joong**, stated in Seoul on 26 March that it would be necessary 'to strengthen relations with Europe in view of the creation of a single market in 1992'.

How the Twelve are implementing the '1992 measures' — state of play at the end of February 1990

Ninety 'European laws' have reached their implementation date. Measures **implemented** are those which have been transposed into the legislation of the country in question. Measures **not implemented** have not been transposed in time or, in some cases, the country in question has not kept the Commission informed. **Infringement procedures underway** refers to measures that have not been transposed, despite the Commission's intervention. **Derogation** and **not applicable** refer to measures which do not apply to the country in question.

	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
Implemented	53	77	75	46	55	68	67	36	58	63	37	77
Not implemented	22	9	11	26	28	16	13	30	18	20	42	7
Infringement procedures underway	12	1	1	9	2	3	5	20	9	4	2	2
Derogation				6	4		1				8	1
Not applicable	3	3	3	3	1	3	4	4	5	3	1	3

Improving the quality of European tourist services

The European Community's Tourism Ministers met informally in Ashford Castle, in Ireland, on 10 and 11 March. At this, their first meeting during the European Year of Tourism, the 12 ministers discussed the challenges facing this sector, which is of the greatest economic and social importance for Europe. The tourist industry accounts for roughly 5.5 % of the Community's gross domestic product (GDP) and employs directly around 6 % of the workforce. It accounts for around 25 % of the exports of Greece and Spain, while expenditure on tourism in Germany amounts to 10 % of private consumption.

A working document was presented, two years before the completion of the single market, an event which itself will have an important effect on the tourist industry. This document seeks to set out the framework for the future development of this sector. It also explores the more long-term goals of tourism policy, together with a short and medium-term action programme in keeping with these goals.

Among the principal measures the working document, which was prepared by the Commission in agreement with the EC Presidency, envisages are the following: improving the quality of European tourist services; promoting Europe as a tourist destination and improving the environment in which tourist companies operate.

In the light of recent developments in Central and Eastern Europe, the ministers also evoked possible ways of cooperating with these countries in the field of tourism.

To receive the Community's Eurotech capital label

Viewed in the framework of the European Community's activities in the field of financial engineering, Eurotech capital has twin objectives. The first is to encourage private capital to finance transborder high-technology projects; the second is to facilitate the launching of new transborder initiatives, which have been partly developed by small and medium-sized enterprises (SMEs).

In this context, the Commission of the European Communities awards the Eurotech capital label to European financial entities that meet the following criteria: (1) have an investment capability of at least ECU 50 million; and (2) agree to set aside at least 20 % for equity participation in companies — preferably SMEs — which implement high-technology, transborder projects.

In addition to the prestige attaching to it, the Eurotech capital label provides a number of advantages. The first is a financial contribution, which must be invested in high-technology, transborder projects. But it also gives the right to preferential access to two services offered by the Commission: Eurotech project and Eurotech data.

The first is a database which contains technical and financial information on projects arising out of Community research and development programmes (Esprit, Brite, etc.) and on high-technology transborder projects which have been recognized by the Commission as technically valuable.

The first financial entity to receive the Eurotech capital label is the merchant bank Sofipa SpA, the leader in Italy for its equity participation in SMEs.

En route for Japan!

At the end of May, 47 young European executives will leave for Japan, where they will acquire, in 18 months, a certain proficiency in the Japanese language and an excellent knowledge of Japanese business circles and their management techniques.

Financed mainly by the Commission of the European Communities, this executive training programme (ETP) has already sent to Japan more than 350 executives from European companies since 1979. This year many of the participants in ETP10 come from small and medium-sized enterprises. While applications from SMEs are especially welcome, it is essential that the European firm which employs the candidate should be able to refer to a concrete project involving Japan . . .

The selection procedure for ETP11, which will send a fresh batch of young executives to Japan from May 1991 to November 1992, is now open. The international consultancy firm, KPMG, has been entrusted with the pre-selection of candidates. Applications for ETP11 must be sent to it by 1 July 1990.

Ireland: KPMG Stokes Kennedy Crowley, Dublin
Attention: Mr B. Ward; Telephone: 353 (1) 73 55 66; Fax: 353 (1) 73 58 00

United Kingdom: KPMG Peat Marwick McLintock, London.
Attention: Ms A. Routledge; Telephone: 44 (1) 236 80 00; Fax: 44 (1) 248 65 52

Bookshelf

Practical guide to legal aspects of industrial subcontracting within the European Community

Vol. I: *The subcontract*

Catalogue number: CB-27-89-001-FR-C. ISBN 92-825-9594-3. Price (excluding VAT) in Luxembourg:

Vol. I: ECU 11.25.

Office for Official Publications of the European Communities.

The first part of this practical guide aims mainly at examining, in successive chapters, the chief problems and legal questions of interest to the subcontractor, whatever his nationality or place of business. It also defines the rights which must be safeguarded by these contracts, as well as the obligations and responsibilities to which they can give rise. Each chapter is followed by a list of pertinent questions that a subcontractor must ask himself when examining the terms of a possible contract.

The second part of this practical guide deals with each of the Member States in turn. It attempts to provide as much information as possible on the legal and technical questions likely to arise in the country in question and of interest to subcontractors.

The contents of this publication do not necessarily reflect the official views of the institutions of the Community.

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