



## European transport networks: essential complements to the common policy

■ by Karel Van Miert, Member of the European Commission

Since 1987 the European Community has been introducing progressively a transport policy, so as to open up national markets and eliminate the factors which distort competition between carriers. However, this common policy has had only a limited effect on transport infrastructure. Of course the funds mobilized by the Community are not particularly large in relation to needs: the Community's 1991 budget earmarked only ECU 128 million for the three-year programme for financing transport infrastructure. And the programme itself was not adopted until 1991.

**An essential complement** The elaboration of European transport networks nevertheless is an essential complement to the legislative framework which has been adopted to guarantee the free movement and provision of services from the viewpoint of the single market. Without effective networks linking the various regions of Europe, the common transport policy will remain a dead letter. Here is just one example. The EC Council of Ministers is expected to adopt in June a set of measures aimed at completing the liberalization of air transport. But it will not mean an end to delays in flights within the EC, which are due to the structure of air traffic control in Europe. Only the adoption of a single control structure can lead to improvements in a steadily deteriorating situation. Clearly, the introduction of a European network in this sector will strengthen the actions undertaken by the Member States. The Commission is working actively to this end, in close cooperation with the specialized agency, Eurocontrol, and the European Civil Aviation Conference.

**In liaison with the Member States** Since 1990 a European policy of transport networks is gradually taking shape, in liaison with the Member States, carriers and other interested sectors of the economy. In December 1990, the Commission adopted plans for a European TGV or high-speed rail network, together with the proposals designed to ensure their implementation. It then embarked on a report on networks which make use of a number of different methods of transport — rail, road, canal and maritime. This report will be ready shortly.

This policy of networks creates a link between the measures already adopted and the political options agreed to by the European Council in Maastricht. The fact is that the Commission, in its financial proposals for the Community for the period from 1993 to 1997 — the second 'Delors package' — takes into account the needs in terms of transport infrastructure. It meets current needs as well as the new demands generated by the single market and the development of trade with Central and Eastern Europe.

**Strengthening competitiveness** In order to ensure the Community's cohesion, and to make European industries more competitive, the Maastricht Council envisaged two types of measures, depending on the regions in question:

- In the less-favoured Member States, the solidarity among them will be manifested through a Cohesion Fund, which will be used to cofinance transport infrastructure projects which require substantial investments. These are the projects of Community interest set out in the indicative plans — the 'guidelines' — of trans-European networks. The second 'Delors package' earmarks funds for this purpose as from 1993.

- In the other regions the development of European transport networks will help create an environment which encourages competitiveness. The Community will define the orientations, select projects of Community interest and back the efforts of the Member States. It will also seek to orient, coordinate and stimulate the integration of networks.

**Optimum utilization** Although essential, finance is only one of the elements needed for the successful operation of networks. Their optimum utilization will require assiduous research and effective organization, the decompartmentalization of government departments, cooperation between industrialists and a readiness on the part of users to accept both the direct and indirect costs. The Community, for its part, will have to respect fully the principle of subsidiarity, in order to concentrate the funds available on projects which both complement and become an integral part of national, regional and local actions. In a word, in order to implement a transport policy in the run-up to the year 2000, a collective effort and a firm commitment will be needed. The main outlines of this policy will be presented shortly by the Commission in the form of a white paper.

## DECISIONS

### ■ Border-free medicines

The single market will be a reality from 1 January 1993 in the case of medicines as well. Europeans will be able to buy them in any European Community country and bring them home freely. They will also be able to have them sent from another EC country. The EC Council of Ministers definitively adopted on 31 March the four directives — 'European laws' — still outstanding. The first stipulates that both the labelling and the obligatory information leaflets will include essential information. The second directive bans advertising aimed at the general public for medicines for which a prescription is necessary; it also bans the distribution of free samples to the public and sets limits on advertising and promotional methods directed at doctors. The third directive introduces a system of European authorizations for wholesalers, under which they will have the right to supply retailers throughout the Community. Thanks to this directive it will be possible to trace defective or counterfeit medicines and to withdraw them from sale. The fourth directive sets out European criteria for distinguishing between medicines requiring a prescription and those which can be sold over the counter.

### ■ Harmonized standards for motor vehicles

The motor car came still closer to the goal on 31 March, when EC ministers adopted definitively the three remaining directives establishing the technical requirements needed to enable motor vehicles to move freely throughout the 12-nation Community. These three 'laws' deal with tyres, safety glass and the weight and dimensions of vehicles. The Twelve also reached agreement on another directive, one which seeks to approximate national legislation regarding the type-approval of motor vehicles — that is to say, the administrative rules which make it possible for a vehicle to be freely marketed and registered throughout the EC. This directive, which now goes to the European Parliament, provides for an EC type-approval from 1 January 1993 (see Target 92, No 2/1992).

### ■ Supervising financial groups

In the 1993 single market, bank customers should not see their savings shrink, as happened to the customers of the Bank of Credit and Commerce International (BCCI) at the beginning of this year. BCCI, with its headquarters in Luxembourg but run from London, was unable to meet its commitments. According to a directive adopted by EC ministers on 6 April, the national authorities responsible for supervising the activities of banks which are part of a financial group will have to look at the situation of the group as a whole. They will have to apply to the entire group the existing European rules on capital and solvency. The new directive also indicates which Community country must undertake the task of supervising such groups, which have ties in several Member States.

### ■ 45 new European chairs

European universities will have 45 new chairs devoted to European integration at the start of the 1992 academic year. The universities in question will offer 83 new courses, regular and required, as well as 53 teaching modules on the European Community and nine new research projects on Europe. For the third consecutive year the European Commission decided, on 13 April, to give financial support to 'European' studies at university level. This aid, named after Jean Monnet, has amounted to ECU 5.95 million since 1990 (1 ECU = UK£ 0.71 or IR£ 0.77). The fields covered are law, economics, history and political science.

### □ BRIEFLY

In order to **fight drug traffickers more effectively** EC ministers agreed on 31 March to lengthen the list of chemical products which will be subject to special control measures from 1 January 1993. These products are

used not only in the manufacture of illegal drugs but also of such harmless items as paints and varnishes. The Twelve took the first measures in this connection in December 1990 (see Target 92, No 2/1991).

EC ministers definitively adopted on 31 March the technical standards relating to **speed limitation devices**. The use of such devices on trucks, buses and coaches will become mandatory from 1 January 1994, under the terms of a directive adopted by the Twelve on 10 February 1992.

An **action plan for the security of electronic information systems** was definitively adopted by the Twelve on 31 March. The plan reconciles the twin goals of security in the use of information systems and the free circulation of information within the single market (see Target 92, No 4/1992).

EC ministers adopted definitively on 27 March the regulation which liberalizes the **transport of goods by road** between two EC countries and their transit through one or more Member States from 1 January 1993.

The single market will have its own **single green label**, which will reward companies making products that do not harm the environment. The regulation on this European label was adopted definitively by EC ministers on 23 March (see Target 92, No 2/1992).

## INITIATIVES

### ● The escudo joins the ERM

Since 6 April the Portuguese currency, the escudo, is part of the European Monetary System's exchange-rate mechanism (ERM). Following Lisbon's decision, announced on 3 April, the EC's Monetary Committee admitted the escudo on 4 April, with a central exchange rate of 178.735 escudos for one ecu (the EC's currency unit). Like the Spanish peseta and the pound sterling, the escudo can no longer deviate from this rate by more than 6 %, on either side of the central rate. In the case of the other currencies in the ERM, fluctuations must be kept within 2.25 % of their central rates. Only the Greek drachma is still outside the ERM. The first stage of economic and monetary union, launched on 1 July 1990, provides for all EC currencies to enter the ERM.

### ● Computerized VAT network

From 2 November 1992 the tax authorities in all EC countries will have access to a new European computerized network, which will take the place of VAT checks at the Community's internal frontiers. Following a decision in principle by the Twelve, taken on 28 January 1992 (see Target 92, No 3/1992), the European Commission provided the Member States in early April with the technical specifications for the equipment they will need to install. The new system, called the VAT information exchange system, or VIES, will link the 12 tax authorities through 12 computers, located in each of the Member States. As from 2 November companies selling to traders based in another EC country will be able to find out their VAT number through their own tax authorities. From next year these companies will have to notify their authorities, on a quarterly basis, of all their sales to firms based in other EC countries. Their buyers will pay VAT within their own country, with VIES acting as a check on fraud.

### ● Towards more effective payments

At present, sending funds from one EC country to another can be 20 times more expensive than moving them within an EC country. As a result, companies must occasionally refuse a payment because of the excessive cost to them. To make cross-border payments easier, the European Commission adopted an action programme on 25 March. It has drawn up a Users Charter, which it wants banks to implement, failing which it would put forward Community legislation on the matter. In addition to its aim of making cross-border payments as quick and reliable as internal transfers, the Charter gives users four rights: (1) to be told by the bank of the most appropriate payment services available; (2) to know in advance the total cost of a payment; (3) to have the option

## EUROPEAN UNION: WAYS AND MEANS

Questions and answers about the Treaty of Maastricht

### **What happens if a Member State fails to ratify the Treaty? Does life go on as if Maastricht had never happened, or will there be a renegotiation?**

The new Treaty cannot come into effect until all 12 member countries have ratified it. It is all or nothing, with no question of a Member State opting out or choosing which parts of European Union to apply. The Treaty itself represents a complex balance of interests agreed after exhaustive negotiation, and has to be accepted as a package.

If there were delays in ratification by one or more Member States, then the date of implementation would have to be postponed, just as the Single European Act was delayed by six months in 1987. The existing Treaties would meanwhile remain valid and provide the legal base for all Community activity. None the less, the Maastricht decisions are making a political impact in advance of ratification of the new Treaty. The Commission has already proposed a budget for the European Union, based on the commitments of Maastricht.

### **What does the European Commission see, in order of importance, as the five main benefits of the new Treaty?**

- Economic and monetary union will transform the internal cohesion, international influence and economic strength of the Community as a whole.
- The new Treaty opens up the prospect of a common defence policy, an essential step if the Community is to act effectively in a changing world.
- The European Parliament will have a bigger say over a wider range of policies, strengthening democratic accountability. Its role will give the Commission more legitimacy.
- Subsidiarity defines the limits of Community action and will ensure that policies are made and decided at the appropriate level — European, national or regional.
- Extension of Community competence to new policy areas where it is needed.

### **The title 'European Union': does the change from 'Community' to 'Union' have political significance? Has it to do with monetary union?**

Transformation of the Community into a European Union does have political significance. It reflects the wider dimensions of the new Treaty. The Union is founded on the European Communities, but also reflects the desire of the Member States to establish a political union, creating Union citizenship and extending the Community's activities into new fields such as foreign and security policy, defence, judicial and home affairs. It is important to note that the European Union is not a legal body, whereas the European Community is.

The new Treaty stresses the Union's single institutional framework, but it embraces a wider range of policy-making procedures than those laid down in the European Community Treaties. The European Council of Heads of State or Government provides the impetus for development of the Union and defines general political guidelines.

Economic and monetary union is a key element in European Union, but will form part of the revised Treaty of Rome, and so remain within the Community process. The new Treaty does change the term 'European Economic Community' into 'European Community', reflecting its changing nature as it goes beyond economic questions to cover areas such as citizenship. So the EC really will replace the EEC.

### **On the one hand the Treaty extends responsibilities at EC level and brings in new policies. On the other it introduces the principle of subsidiarity. How can this contradiction be explained?**

There is no contradiction. A major theme running through the new Treaty is that decisions shall be taken 'as closely as possible to the citizen' and 'any action by the Community shall not go beyond what is necessary to achieve the objectives of the Treaty'. This is the principle of subsidiarity. Some matters are best decided at the level of the European Community or the Union, others should be left to national governments or may best be dealt with at the level of regional or local government. The new Treaty cannot tell Member States how to run their own affairs, but it does define policy areas where the Community should extend its responsibilities and where the Union should take on new tasks. It also sets out the limits for these extended powers. The phrase 'federal vocation' which appeared in an early draft reflected this concept of policy being made and decisions taken at the appropriate level — which can imply decentralization as well as centralization.

### **With so many of the new policy areas requiring unanimous decision-making, is there really any prospect of advance in these fields?**

The new Treaty is a complex mix of procedures, some involving unanimity and others qualified majority voting. Even within certain policy areas like environment and research there is a mixture of procedures. The common foreign and security policy is based mainly on unanimity, with limited provision for qualified majority decision, and the same applies to cooperation in justice and home affairs.

### **Free movement of citizens: what measures still need to be taken? Can they be decided by a qualified majority or is unanimity necessary?**

European citizenship is a new legal concept enshrined in the Treaty. It reaffirms a number of fundamental rights for citizens of the Member States, notably the right to travel and reside freely within the territory of the Union. Proposals put forward by the Commission allowing the exercise of these rights are subject to unanimous decisions of the Council of Ministers except where the Treaty provides otherwise, as are proposed measures for extending or strengthening these rights. Detailed arrangements on local voting rights should be agreed by the end of 1994, European Parliament voting rights and the right to diplomatic protection by the end of 1993.

**The right to vote/stand as a candidate in local and European elections: what changes would this mean and in which Member States?**

Most Member States would need to change their constitutions for both European and local elections. There are wide differences between Member States. Only Belgium, Ireland and the Netherlands have provisions which allow residents who are not citizens of the country to vote in European and local elections. Most countries allow their own citizens who are living in other Community countries to vote. This does not apply in Ireland. In the United Kingdom it only applies to those who have registered to vote in the UK in the last 20 years. Italy is the only country in the Community which allows non-citizens to stand as candidates in European elections. Although the minimum voting age is 18 everywhere, a candidate must be at least 21 in five countries, 23 in France and 25 in Italy.

**Since the common foreign and security policy (CFSP) is a separate pillar of the Union, how does this affect the position of other institutions like the European Parliament, the Economic and Social Committee, and the Commission?**

The common foreign and security policy (CFSP) is established outside the Treaty of Rome, but does provide for the involvement of some Community institutions. The Union and its Member States shall define and implement the policy; the European Council will set general guidelines; and the Council of Ministers will be the decision-maker, ensuring the 'unity, consistency and effectiveness of action by the Union'. The Council Presidency represents the Union and speaks for it on CFSP matters in international organizations and negotiations.

The Commission is directly involved in the CFSP — the first time that it has been given a legitimate role for foreign policy outside the economic sphere. It has joint right of initiative together with the Member States and is fully associated with the work of CFSP. Both the Presidency and the Commission have to keep the European Parliament informed and the Presidency must ensure that its views are 'duly taken into consideration'. The European Court of Justice, on the other hand, is specifically excluded from the CFSP, and there is no role for the Economic and Social Committee.

**How will the CFSP be implemented? How does this differ from the mechanisms of the Rome Treaty?**

Under the CFSP, proposals may be made by a Member State or by the Commission. There is no sole right of initiative as in the Community system. Decisions will normally be taken by

unanimity in the Council, although the Council can use qualified majority voting if it decides to do so. Where voting is used, adoption will require 54 votes (from a total of 76) in favour cast by at least eight Member States. Where joint action is decided, this will bind all Member States and determine how they act. The European Parliament is to be consulted and its views taken into account, but it has no formal power to block or amend as it has under the Treaty of Rome.

**Which common foreign policy decisions are binding on Member States and what procedure is used to decide them? Is European Parliament agreement needed? Does the Commission initiate policy, represent the Community interest, or just observe?**

Where systematic cooperation is established between Member States on foreign policy issues, with agreement on common positions, then Member States must ensure that their national policies match these positions. This would include the Community's position in international organizations and conferences.

When decisions are taken by the Council agreeing joint action, then these will be binding on Member States 'in the positions they adopt and in the conduct of their activity'. Member States have declared that they will try to avoid blocking a decision if there is a qualified majority in the Council in favour of acting.

European Parliament consultation covers only 'the main aspects and the basic choices of the CFSP', not individual decisions.

The Commission has an important role in applying the CFSP. It can make proposals and request discussion on particular issues; it participates fully in discussions; it is associated with the troika, where the Presidency is assisted by the previous and next presidency countries in representing the Union and in implementing common measures; Commission delegations in third countries and in international organizations will help to ensure that common positions and common measures are respected, as will national representations.

**Do the provisions on defence mean that all Member States will inevitably become part of a military alliance?**

No decisions on defence will be taken until 1996, when the planned intergovernmental conference will review progress. The new Treaty uses cautious language: '... implementation of a common foreign and security policy including the *eventual* framing of a common defence policy which *might in time* lead to a common defence.' Agreement on a 'common defence' would of course imply a military alliance, while a 'common defence policy' need not necessarily go so far. In any event, no such decision will be taken for four years.



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Questions and answers about the new powers of the European Parliament and other subjects mentioned in the Maastricht Treaty will be published subsequently.

## Agriculture in the European economy

Share of total gross value-added accounted for by agriculture, at market prices, %, 1980 and 1989

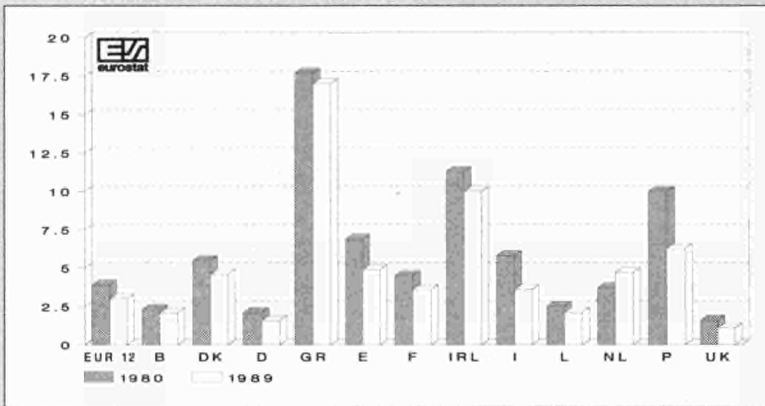
### Place of agriculture in the economy

In nine years, the share of the overall economy of Europe accounted for by agriculture has fallen from 3.9 to 3% (of total gross value-added).

The decline has been particularly noticeable in Portugal, Ireland and Spain.

In the United Kingdom, the agricultural sector accounted for only 1.1% of gross value-added in 1989, compared with 17% in Greece.

The Netherlands is bucking the trend, however, with agriculture increasing its contribution to value-added.



Share of gross value-added accounted for by agriculture, at market prices, %, 1980 and 1989

	EUR 12	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
1980	3.9	2.3	5.5	2.1	17.7	6.9	4.5	11.3	5.8	2.5	3.7	10.0	1.6
1989	3.0	2.1	4.6	1.6	17.0	4.9	3.6	10.0	3.6	2.1	4.7	6.3	1.1

Civilian employment in agriculture, as % of total civilian employment, 1980 and 1990

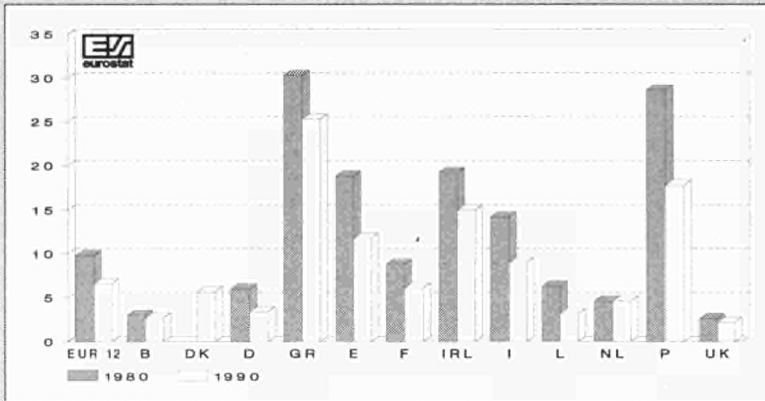
### Agriculture and employment

In line with the fall in its share of value-added, agriculture's share of employment has declined: the Community average has fallen from 7.4 to 6.6%.

Only the Netherlands has had stable figures, at 4.6%.

The decline in this sector has been greatest in Portugal: 17.8% in 1990 as against 28.6% 10 years earlier.

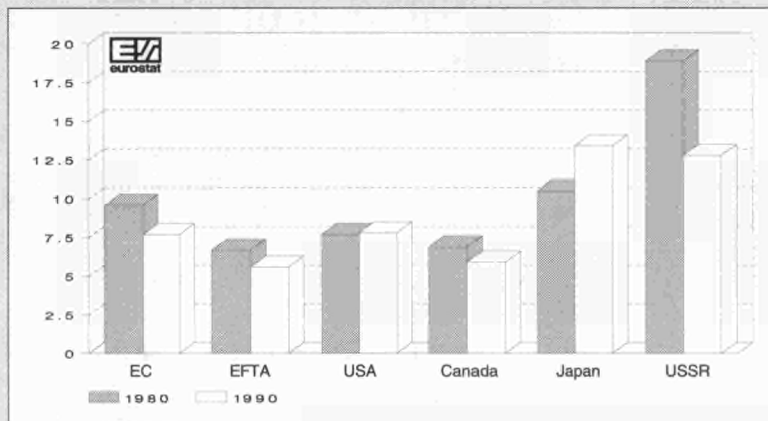
In Greece, 25% of civilian employment in 1990 was in agriculture, the highest rate in the Community.



Civilian employment in agriculture, as % of total civilian employment, 1980 and 1990

	EUR 12	B	DK	D	GR	E	F	IRL	I	L	NL	P	UK
1980	9.8	3.0	5.7	6.0	30.3	18.8	8.8	19.2	14.2	6.3	4.6	28.6	2.6
1990	6.6	2.7	5.7	3.4	25.3	11.8	6.1	15.0	9.0	3.2	4.6	17.8	2.2

Share of total imports accounted for by agricultural produce, 1980 and 1990 (%), EC: extra-Community imports



## Agricultural imports

Figures for agricultural produce vary considerably and are moving in different directions in different countries. They rose in Japan (from 10.5 to 13.5% of total imports), but fell sharply in the USSR. With the exception of Japan and the United States, the trend is downward.

The same trend is reflected in the European Community (with the exception of Greece, Spain and Portugal).

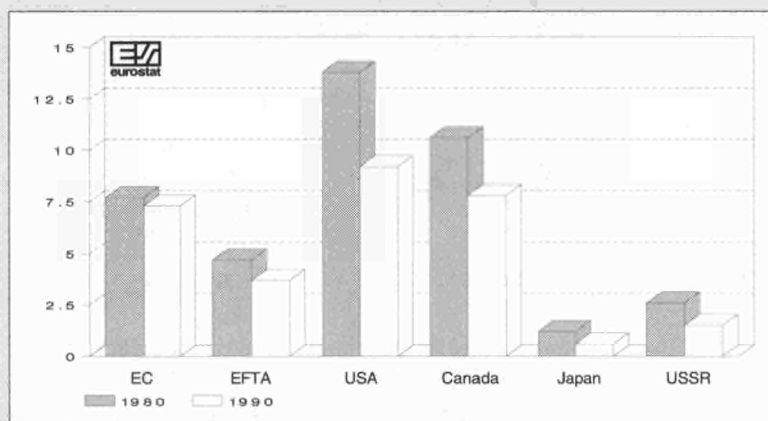
The share of agricultural produce is highest in Portugal, Denmark and Spain. At the opposite end of the scale come Ireland, Germany and the Belgo-Luxembourg Economic Union (BLEU).

Share of total imports accounted for by agricultural products, 1980 and 1990, %

	EC	BLEU	DK	D	GR	E	F	IRL	I	NL	P	UK
1980	9.6	7.3	11.7	9.0	5.1 <sup>1</sup>	10.4 <sup>1</sup>	8.9	10.7	8.2	13.3	16.5 <sup>1</sup>	10.7
1990	7.7	6.5	12.6	6.2	8.6	12.1	7.8	5.8	6.7	9.9	15.9	7.2

<sup>1</sup> 1984.

Share of total exports accounted for by agricultural produce, 1980 and 1990 (%), EC: extra-Community exports



## Agricultural exports

With the exception of Spain, the Netherlands and the United Kingdom, agricultural exports are now accounting for a lower share of total exports.

Such exports are of marginal importance in Japan and the former USSR. Although they have declined in the United States, agricultural exports still account for 9.2% of the US total.

In four Community Member States, agricultural exports account for almost one-fifth of the total. The sharpest fall has been in Ireland.

Share of total exports accounted for by agricultural products, 1980 and 1990, %

	EC	BLEU	DK	D	GR	E	F	IRL	I	NL	P	UK
1980	7.7	7.0	21.6	3.3	24.6 <sup>1</sup>	9.9 <sup>1</sup>	13.5	40.2	5.2	17.2	11.9 <sup>1</sup>	5.7
1990	7.3	4.5	19.3	3.0	22.7	13.0	11.2	23.3	4.5	18.6	7.8	6.4

<sup>1</sup> 1984.

of paying all charges, so that the beneficiary receives the full amount and (4) to have access to a redress procedure equivalent to that available for domestic payments. The Commission also envisages European standards for cross-border payments systems, improvements to the relevant telecommunications systems and easier reporting requirements.

### ● Language barriers facing television

Subtitles, dubbing or the original version without the benefit of translation? Viewers will perhaps have the choice in a few years' time, thanks to new technologies. Meanwhile, because of the linguistic diversity within the European Community, a very good Portuguese programme, for example, has virtually no chance of being shown in Denmark. The fact is that only 10 % of television programmes cross these language barriers. In a paper entitled 'Overcoming language barriers in television', the European Institute for the Media has suggested some solutions. At present films shown on German, French and Italian channels are generally dubbed, at a cost which is 15 times higher on average than subtitling, which is extensively used in the Netherlands, Portugal, Greece and Denmark. Viewers in the UK and Ireland are usually treated to programmes in their own language. The study suggests greater use of subtitling. It also calls for improvements to both subtitling and dubbing and for more programmes made on a multi-lingual basis. Its authors also want more Community aid for the less widely used languages.

### ● Which bananas for the single market?

In order to ensure a single market in bananas, even while protecting growers in the Community and in the African, Caribbean and Pacific (ACP) countries linked to the EC through the Lomé Convention, the European Commission proposed on 8 April a Community import system covering imports from other sources. The proposal is for an import tariff quota equal to the quantities currently being imported, with the tariff set at 20 %. This system would apply to bananas from Latin America, which currently account for some 60 % of the EC market. At present Member States with territories or former colonies which grow bananas import them from these sources, at prices often twice as high as those for Latin American bananas. This is the case as regards the UK, France, Greece, Italy, Spain and Portugal. The other EC countries, with one exception, import their bananas from Latin America, levying a 20 % tariff on them. The exception is Germany, the largest consumer, which imports all the bananas it needs duty-free.

### ● 'European' studies in four volumes

For students wanting to give a European dimension to their training and career, the European Commission has just published four works. They are: (1) *A guide to higher education systems and qualifications in the European Community*, a comprehensive survey of the diplomas and higher education qualifications in the 12 EC countries — ISBN 92-826-2676-8, priced at ECU 32 + VAT; (2) *Working in the European Community*, information for young graduates looking for work in another EC country — ISBN 1-85-324-516-X, ECU 13.80 + VAT; (3) *Learning in Europe. The Erasmus experience. A survey of the 1988/89 Erasmus students*, a detailed analysis of the experience of some 3 000 students who received Erasmus scholarships — ISBN 1-85302-527-5, ECU 12.65; (4) *Erasmus and Lingua Action II Directory 1991/92*, listing inter-university cooperation programmes by country, area of study and type of cooperation — bilingual edition (English and French), ECU 27.50 + VAT. All these volumes are published by the Office for Official Publications of the European Communities (Luxembourg), with the exception of *Learning in Europe* (Jessica Kingsley Publishers).

### ● Euro MPs back 'Maastricht'

By 226 votes to 63 and 31 abstentions, the European Parliament adopted on 7 April a resolution calling on the 12 national parliaments to ratify the Treaty on European Union adopted by the Heads of State or Government at Maastricht. In order to come

into force, the new Treaty must be ratified by the 12 parliaments. The Belgian, German and Italian parliaments have made their ratification dependent on that of the European Parliament. The Danes and the Irish will express themselves on 'Maastricht' by referendum, to be held on 2 and 18 June respectively.

### ○ BRIEFLY

The Dutch industrial giant, **Philips**, launched on 1 April a European product guarantee certificate, valid for one year in all EC and EFTA countries (see box). The guarantee covers the replacement of all defective parts.

In order to protect **consumers who engage in distance buying** — from a catalogue, by telephone or by fax, or via their television set or computer — the European Commission proposed to the Twelve a directive — a 'European law' — on 8 April. The text contains minimal rules for the single market. The Commission also recommends codes of conduct for firms engaged in distance selling.

Between now and the end of 1992 **eight German stock exchanges**, including the Frankfurt exchange, will introduce **loan instruments drawn up in ecus** or in currencies other than the German mark. The end of the monopoly enjoyed by the mark in this area was announced by the Director of the Federation of German Stock Exchanges, Mr Rüdiger von Rosen, on 18 March.

## SEEN FROM ABROAD

### ▶ Oslo seeks membership

The Norwegian Government will submit an application for membership of the European Community this November. An announcement to this effect was made by the country's Prime Minister, Mrs Gro Harlem Brundtland, on 4 April. However, a poll published on 25 March showed that only 34 % of Norwegians favour membership, while 37 % are opposed to it. Despite having signed a treaty of adhesion, Norway refused to join after a referendum in 1972.

### ▶ The Swiss do their 'European' sums

Switzerland's participation in the European Economic Area (see box) will give it an extra 4 to 6 % of economic growth between 1993 and the year 2000, according to a study published by the Société de Banque Suisse on 13 April. Another study, published on 20 March by the Union de Banques Suisses, concluded that the free movement of workers, provided for by the EEA, must not give rise to fears. The managers of Swiss companies went even further: some 50 % of them favour Switzerland's rapid entry into the EC, according to a poll published on 30 March. Another 40 % favour entry before the year 2000. Finally, a report commissioned by the government from a group of experts takes the view that entry is not incompatible with Switzerland's neutrality.

## THE EUROPEAN ECONOMIC AREA IN ORBIT

After all sorts of incidents, the European Economic Area (EEA) looks set to open on 1 January 1993. It will establish a market of 376 million inhabitants, by extending to the seven countries of the European Free Trade Association (EFTA: Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland) the free movement provided for within the 12-nation European Community. On 14 April the representatives of the Twelve and the Seven initialled in Brussels an agreement reached on 14 February and approved on 10 April by the Court of Justice of the European Communities in Luxembourg. The Court had found the agreement reached between the Twelve and the Seven on 21 October 1991 to be incompatible with the Treaties setting up the Community; the judges took the view that the agreement did not guarantee unity of interpretation of the EEA's rules in the event of a dispute, and that it undermined the Court's exclusive right to interpret Community law. The Twelve and the Seven negotiated a fresh agreement, which dealt with the Court's objections. The revised agreement must now be adopted by the European Parliament as well as the national parliaments of all participating States, as well as by referendum in Switzerland.

### ◆ BC-Net: Australia, Cyprus and Malta join the network

With a view to helping Australian and European companies develop promising commercial relationships, Australia joined the BC-Net (Business cooperation network) on 16 March. Australia's Ministry of Industry, Technology and Commerce (Ditac) will act as the national point of contact in Australia. It will gradually set up a sub-network of local intermediaries covering all areas of the country. Cyprus became an official member of BC-Net on 6 April and Malta on 7 April. The entry of these two countries, after that of Tunisia, enlarges BC-Net's Mediterranean membership. Turkey and Israel will join the network very shortly.

BC-Net is a European computerized network which is used to look for business partners located in different regions or countries on a confidential basis. It brings together some 600 business consultants from all over the Community. BC-Net has already handled more than 55 000 offers and demands for cooperation, emanating from all economic sectors and covering all types of cooperation, including commercial, financial and technical.

### ◆ Euromanagement: technological research and development for SMEs

The pilot action Euromanagement — research and technological development audits — was launched by the European Commission in 1991. It has made it possible to alert directly some 650 industrial SMEs in Europe to the possibilities offered by Community aid for research, thanks to a diagnosis of their technological potential and their managerial capacities. Based on interventions by 47 consultants, selected through a tendering system and following a common methodology, developed by an outside company, the pilot action came to an end at the beginning of the year with a poll in which 84 % of the companies declared that they were satisfied on the whole with the work of the consultants. The 47 Euromanagement consultants identified nearly 1 000 research projects with the SMEs. As a result, nearly 100 proposals for research have been sent to the European Commission in reply to its call for tenders under the third Community framework programme for research and technological development. The general quality of the interventions and the high level of receptivity of the sample of SMEs which were 'audited', contributed largely to the success of the pilot action. The European Commission's Directorate-General responsible for SMEs hopes that the majority of the companies that were audited will engage in European technological cooperation on a continuing basis. It envisages proposing an extension of the pilot action, after consultation with Member States, in order to give other SMEs with a technological vocation a chance.

### ◆ Euro info-centres: 'contact points' in the East

While it is true that the Euro info-centres have been set up for the benefit of European Community companies, the network's extension to third countries can only encourage them to cooperate with the 12-nation Community. Bearing in mind the importance of effective relay stations, the Commission has decided to set up in third countries 'contact points' for the Euro info-centres. By the end of last year three such points had been designated — in Vienna, Warsaw and Prague. They are now operational. Other such points will be set up in the coming months, with priority being given to the countries of the European Free Trade Association (EFTA: Austria, Switzerland, Liechtenstein, Sweden, Norway, Finland and Iceland) and those of Central and Eastern Europe.

### ◆ Training courses in Japan

In the framework of its training programme the EC-Japan Centre for Industrial Cooperation will organize, in Tokyo, from 5 January to 19 March 1993, a training course aimed at trade and management executives and engineers (minimum age 35 years) from all parts of the European Community.

The first weeks will be devoted to general topics on Japan: its culture, history, industrial structure, group decision-making process, basic linguistic training, subcontracting, etc. The second part of the course will deal more specifically with technical and managerial issues, with participants being offered two options: 'managers' or 'engineers'. The course will end with a period of in-house training. Numerous visits to Japanese factories and companies will enable participants to see for themselves the application of Japanese methods at the workplace.

This course is of special interest to companies which plan to open an office in Japan or to strengthen their presence in that country. It will also interest companies wanting to learn about Japanese practices, with a view to introducing them in their own companies, or to take advantage of the possibilities offered by the presence of Japanese companies in Europe.

The cost of the training, teaching materials and fees associated with the visits and in-house training will be covered. However, participants will normally have to cover their two-way travel expenses as well as the cost of their stay in Japan. Participants employed by SMEs could be eligible for a grant.

To obtain further information on the training course, and on the other activities of the EC-Japan Centre for Industrial Cooperation, please contact Mr Walther Fleig at the Commission of the European Communities, DG III/A/1, 200 rue de la Loi, B-1049 Brussels. Tel.: (2) 235 64 11, fax: (2) 235 01 26.

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