



COMMISSION
OF THE EUROPEAN
COMMUNITIES

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THE WEEK IN EUROPE

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Structural Funds restructured. Under plans for changes to the EC's Structural Funds agreed by the European Commission on Wednesday, two more UK regions, Merseyside and the Scottish Highlands and Islands, will qualify for funding under Objective 1. (At present in the UK, only Northern Ireland qualifies). The new arrangements, still to be approved by the Council, are needed to accommodate decisions made at December's Edinburgh Council to increase funds and introduce the Cohesion Fund. The Commission has proposed a greater degree of flexibility in the allocation of funds to areas falling outside the scope of Objectives 1, 2 and 5b, which support regions lagging behind economically, those affected by serious industrial decline and underdeveloped rural areas. The reforms are in response to difficulties in implementing the INTERREG programme for cross-border cooperation, and problems, such as job losses, in sectors not necessarily concentrated in eligible areas. Structural funding for Objective 1 regions, which remain the focal point of the Funds, will total some 96.3bn ECUs between 1994 and 1999. Under the plans, funds for the so-called peripheral countries, Spain, Portugal, Ireland and Greece, will double by 1999. The Commission's proposals call for Member States to adhere strictly to the principle of additionality by accounting for their Structural Fund receipts and providing clear information on how monies are disbursed. For its part, the Commission intends to streamline the administration of the Funds by introducing simpler decision-making procedures.

Van den Broek at the UN. Speaking after a meeting with top United Nations' officials in New York yesterday (Wednesday), Hans van den Broek said the Community was as committed as ever to finding a solution to the conflict in former Yugoslavia. The Commissioner underlined the Community's vast humanitarian effort which has contributed 50% of all aid to the region and accounted for some 70% of all airlifts to Sarajevo. While the Twelve endorsed the Vance-Owen peace plan, it was "indispensable", he said, that the United States join fully in a common effort to push the peace process forward. Van den Broek warned of the danger of the agreement becoming "merely paperwork".

Eurobarometer on Eastern Europe. Over the last year, support for the market economy faltered in the Commonwealth of Independent States (CIS), but remained solid elsewhere in Central and Eastern Europe. This is one of the main findings in the latest Eurobarometer on Central and Eastern Europe released on Wednesday. In spite of the scepticism in the CIS about the free market, most people in former Communist Europe want the process of economic reform and privatisation speeded up. A majority of people had heard of the European Community (71%), with 44% positive and only 4% negative about it. Support for associate or full membership of the Community remained high at 78%. Almost a quarter of Russians though thought their future lay in closer links with the USA (25%) or other CIS states (23%) rather than the EC (14%).

EIB funds growth. The European Investment Bank agreed 1bn ECUs in loans on Tuesday for the first batch of infrastructure projects under the so-called Edinburgh facility, the Community's growth initiative launched at last December's summit. The first 14 projects approved are in keeping with EIB guidelines stipulating that investment must support trans-European networks; initiatives aiding access to infrastructure networks; and environmental and conservation projects. In receiving bank financing, several projects will qualify for EIB support over and above the bank's normal ceiling of 50% of total project costs.

Aid to Bradford. Regional Policy Commissioner Bruce Millan announced last week 11m ECUs aid to Bradford, West Yorkshire, to continue the economic recovery funded by Community programmes since 1988. The Commissioner praised the progress made under the 65m ECUs 1988-92 programme which supported measures to reclaim industrial wasteland for new businesses, leisure, tourism and transport.

Fish prices. Following action by French trawlermen at Brittany ports earlier this week in protest at cheap fish imports into France, the European Commission's fisheries committee is set to draw up measures this week to improve prices. The French government made representations to the Commission about the influx of cheap white fish from Poland, Norway, Russia and Iceland which was undercutting French prices by up to 30%. Recent currency fluctuations have also exacerbated the fall in prices.

Safer Eurotankers. Industry Commissioner Martin Bangemann met Alain Grill, President of EUROYARDS, a grouping of the big five Community shipyards, in Brussels on Tuesday for talks about the construction of a safer European-design oil tanker. EUROYARDS is developing a new large crude oil tanker, named the E3 on account of its European, economic and ecological design which encompasses far-reaching safety characteristics. Against the background of recent oil tanker disasters, the five yards believe their tanker can

contribute effectively to the current debate about safer ships. The tanker project is a main objective of the Maritime Forum, established in January last year to foster cooperation between European shipping industries enabling them to compete with large Japanese and South Korean conglomerates.

Safe seas. The Commission yesterday (Wednesday) adopted a Communication for a Common Policy on Safe Seas which presents a coherent programme for improved maritime safety and pollution prevention by both Community and international shipping. The Commission seeks to prevent sub-standard operators, vessels and crews entering Community waters, irrespective of the flag the ship is registered under. The proposals call for Member States to implement international rules uniformly; tighter control of ships by port states; the improvement of navigational aids to bring maritime traffic into the electronic age; support for the International Maritime Organisation's standard-setting; and the better training of crews.

EC-Central America accords. Commissioner for Cooperation and Development Manuel Marin signed three financing agreements totalling some 20.6m ECUs with three central American states, Guatemala, El Salvador and Panama, on the margins of the EC-Central American conference in San Salvador on Monday. Signing the agreements, Marin commented that the visible economic progress of a country amounted to little if it did not benefit the majority of its people. The projects involved are agrarian reform in Guatemala; rural development in El Salvador; and a variety of social support schemes in Panama. Marin stressed the importance the Community attached to human rights as a basis for the agreements. The Commission expressed its backing for a UN commission to investigate human rights during El Salvador's civil war.

GATT and public procurement. Speaking in Cheshire last Friday as EC and US trade officials in Washington were hammering out solutions on public procurement contracts, the EC's Economic Affairs Commissioner, Sir Leon Brittan expressed confidence on a GATT deal but stressed that a difficult "end-game" lay ahead. The search for negotiated solutions should extend to current bilateral controversies, notably on steel and public procurement. New issues, such as telecommunications, being discussed by the US should not delay or complicate the Uruguay Round. Trade negotiators meet again in Brussels on 11 March.

Competition policy. In an address to the European Parliament's economic and monetary committee in Brussels on Friday, Competition Commissioner Karel van Miert reminded Member States that the best way to deal with economic problems was to tackle them collectively at Community level. Emphasising the strengths of EC competition policy, the Commissioner warned against "beggar my neighbour" state aid schemes which merely exported unemployment to other Member States. Under the "everyone for himself" scenario, Member States would retaliate with countervailing aid schemes which would lead to a fragmentation of the Internal Market. EC competition policy would tread a fine but discernable line between allowing cooperation and joint ventures which facilitated the Community's R&D, cohesion and growth programmes and preventing those purely anti-competitive actions, such as rescue plans to bankrupt companies.

Competition in betting. The betting firm Ladbroke Racing is to take the European Commission to the European Court of First Instance for not investigating its complaint that the French company Pari Mutuel Urbain (PMU) exercises a monopoly in off-course betting.

"European Challenges post-1992". A press conference will be held at the London office of the European Commission on Monday, 8 March, at 11.30am to launch a major publication assessing the sensitivities and concerns of all twelve Member States on the shape of the Community after 1992. "The European Challenges post 1992 - shaping factors, shaping actors" is the work of a panel of national research institutes under the direction of Alexis Jacquemin, Professor at the Catholic University of Louvain, which focuses on the interplay between socio-economic, cultural and political dimensions. The book is published by Edward Elgar Publishing Ltd. For details, contact the European Commission's London office on 071 973 1970.

Conference & diary dates.

Safety courses. The British Safety Council is running a series of one-day courses around the UK on health and safety in the workplace relating to new EC Directives. Contact: Mhorag Gilchrist on 081 741 1231.

"The EC 1993 Budget". A one-day seminar at the London Chamber of Commerce on Thursday, 4 March with presentations from the key DGs on how to access EC funding. Contact Ralph Stevens on 071 248 4444.

"Alternative Conceptions of Euro-Polity". Professor Philippe Schmitter from the Centre for European Studies, Stanford University, speaks at Warwick University on 1 March, 2pm. Details: Laura Cram on 0203 524461.

"Towards an Integrated European Capital Market". Launch of Report and Conference on 19 March, London. Speakers include Sir Leon Brittan, Lord Howe, Dr Breuer (Deutsche Bank) and Dick Taverne QC. Contact: Judy Keep, Federal Trust on 071 259 9990 or fax: 071 259 9505.

<u>Council meetings:</u>	Industry	25 February	Brussels
	Consumer	2 March	Brussels
	General Affairs	8 March	Brussels

Our next briefing will be on Thursday, 4 March 1993 at 11.30am.