



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

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THE WEEK IN EUROPE

Big rise in EC travel allowance. Meeting in Brussels on Monday, European Community Finance Ministers took a further step towards a frontier-free Europe when they agreed to increase the EC travellers allowance by more than 50%. From 1 July, travellers will be entitled to bring 600 ecus (£420) worth of tax-paid goods across EC frontiers, against the current allowance of 390 ecus. The allowances for tax-paid alcohol and cigarettes will, however, remain the same. The Ministers also ordered relaxation of strict limits on benefits for cross-border travellers from the Irish Republic and Denmark. The Commission now hopes to have brought in unlimited allowances by the beginning of 1993. At the same time, Ministers agreed in principle that for a transition period after 1992, Value Added Tax on new motor vehicles, boats and aircraft, mail-order goods and big purchases by non-taxable organisations should be paid in the country of destination rather than the country of origin. However, there was no agreement on the more contentious issues of zero or reduced VAT rates for socially or culturally important goods and services, although Ministers undertook to reach decisions by the end of June.

More progress towards EMU. There was broad support from EC Finance Ministers for a compromise formula of the Luxembourg Presidency on external exchange rate policy for a future single European currency when the Ministers met in Brussels on Monday. The compromise would let EC governments set the general guidelines on exchange rate policy, but only after consulting the planned European Central Bank with the purpose of reaching a consensus compatible with the objective of price stability. Most EC Ministers also endorsed the wording for the Treaty proposed by Luxembourg, which is designed to make European banking institutions politically independent.

Making Money Move. A programme to make it easier, faster and cheaper to transfer money across Community frontiers moved into a new phase this week with approval by the European Commission on the next steps to be taken. Two committees are planned, one technical, the other representing the Banking sector and users. Commission Vice-President Sir Leon Brittan, whose responsibility covers financial services, said the rapid and reliable movement of goods or services across frontiers had to be matched by an equally efficient provision of payment in return if the internal market was to become a reality, particularly for smaller businesses.

Soaring lead-free petrol. According to figures released by Eurostat yesterday lead-free petrol has been making huge advances in the Community. In the UK lead-free petrol's market share rocketed from 3% in January 1989 to more than 38% last December. Leading the list is Germany (68%), Denmark (56%) and the Netherlands (42%). In France however market share is less than 15% and in Italy under 10%.

Lorry and bus pollution to be cut. Stringent new pollution standards for heavy diesel lorries and buses were agreed by EC Environment Ministers meeting in Brussels on Monday. The new standards aim to halve pollution caused by diesel vehicles, bringing them into line with strict regulations in force for car exhaust emissions. The new rules will be introduced in two stages. New models of vehicles will have to conform by 1 July 1992 and new vehicles from existing model ranges will have until 1 October 1993. The second stage, imposing tighter emission restrictions, sets standards for new models which will have to comply by 1 October 1995 with registered vehicles coming into line a year later.

Lomé treatment urged for Central America. Central American Ministers meeting their EC counterparts in Nicaragua this week at the Conference known as San José VII, urged the EC to extend the General System of preferences to a broad range of products from Central America, thus effectively putting them on a par with the 66 African, Caribbean and Pacific countries which have a collective agreement with the EC known as the Lomé Convention. Since the first EC-Central America meeting took place in San José, Costa Rica, in 1984, EC aid to the region has grown substantially to some 100m ecus (£70m) a year. This aid has become particularly significant in financing trade within the Central American region. Other themes on the San José VII agenda included foreign debt relief, environmental protection, tourism development and the regional peace process and disarmament.

Ripa di Meana in London. Speaking at the Observer Conference in London this week, Environment Commissioner Carlo Ripa di Meana said there were two striking elements predominant in the EC: the first is the completion of the internal market by the end of next year; secondly, "it has become abundantly clear that our citizens are no longer prepared to accept a permanent degradation of the environment". If, Ripa di Meana went on, the Single Market was to succeed then it must take into account the environmental aspirations of the people of Europe. Turning to emissions from motor vehicles, the Commissioner said Community legislation is going to be at least as severe as legislation in the United States and in the EFTA countries. On waste, he said the EC produces about 2 billion tonnes of waste per year of which about 25 million tonnes are toxic and dangerous.

EC help to put out Kuwait oil blazes. EC Environment Ministers said on Tuesday they wanted Europe's oil industry to help American experts extinguish fires at hundreds of Kuwaiti oil wells that are spewing poisonous smoke over the region. Commissioner Ripa di Meana said that European oil firms should urgently join efforts to put out the 500 to 600 well fires because American teams did not have the capacity or equipment to complete the task quickly.

Court backing for deregulation. A landmark ruling by the European Court of Justice on Tuesday has confirmed the Commission's deregulatory powers over nationalised concerns. Commission Vice-President Sir Leon Brittan hailed as a victory the ruling in which the Court backed a law, introduced by the Commission, that does not ask Governments for backing. Brittan said: "Doubts which have been expressed about the commission's powers in this regard have now been removed". The Court backed a 1988 law introduced under Article 90 of the Treaty which required EC governments to strip national organisations of exclusive rights to sell, supply and service telecommunications terminal equipment.

The EC, Aid and Human Rights. On Tuesday the Commission announced proposed guidelines by which it would seek to link aid to developing countries with their observance of human and democratic rights. The Commission paper says the Community will have recourse first of all to positive measures to promote human and democratic rights. Faced with serious and systematic violations it will be able to say no, the paper said. EC Development Commissioner Manuel Marin noted the Commission had suspended project aid to Sudan, Somalia and Liberia in recent months because of concern about human rights although it had no formal authority for doing so. The EC's Lomé Convention with 66 African, Caribbean and Pacific developing nations already includes an article backing human rights. This should be taken into account in handling aid to these countries, the paper said.

Strong demand for ERASMUS. Now in its fifth year of operation, the ERASMUS programme to promote the mobility of students is proving to be a big success. Applications received now concern 73,000 students in Interuniversity Cooperation programmes. The UK with 18.5% of all applications has the highest number of participations.

London International Bookfair. Books and Journals from the Office for Official publications of the European Communities will be on display at the London International Bookfair 1991 at Olympia, London W14 from 24 to 26 March inclusive (stand no. 68). HMSO is the UK agent/distributor for EC publications. For more details telephone Robin Henry at HMSO on 071-873 8400.

"New European". The latest edition, now on sale, contains articles by Austrian Chancellor Franz Vranitsky, John Biffen, Ann Robinson and a review by Nicholas Ridley of Guenter Grass' book on German reunification. Subscription from MCB University Press, 62 Toller Lane, Bradford BD8 9BY.

"Everything you always wanted to know about monetary union, but were afraid to ask". Sir Leon Brittan launched this user-friendly brochure last week. Prepared by the Association for Monetary Union in Europe, and intended for non-specialists, it is available from: Helen Macdonald, (European Monetary Union), BAT Industries, Windsor House, 50 Victoria Street, London SW1H ONL. Tel: 071-222 7979.

Conference and Diary Dates

University of Bradford Silver Jubilee Lecture Series. Speaker Commission Vice-President Sir Leon Brittan on "Europe: the challenges of the 1990s" on 5 April, 6.00pm at Lecture Theatre D4, Richmond. Entrance free. Tickets available from PR Unit, University of Bradford. Tel: 0274-733466.

"Transport and Distribution in Europe in the 1990s." Organised by the London Chamber of Commerce together with Royal Nedlloyd Group. Thursday, 18 April at the City Conference Centre, 76 Mark Lane, London EC3. Enquiries to Ralph Stevens - Tel: 071-248 4444. Fax: 071-489 0391.

Agriculture Council	25-26 March	Brussels
Transport Council	27 March	Brussels

Our next briefing will take place on Thursday, 28 March at 11.30am.