



# a newssheet for journalists

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Mailed from: Brussels X

EUROFORUMS

**CONSUMERS: A beer drinker's paradise**

The EC offers the biggest selection in the world.

European Community pubs, cafes and supermarkets offer consumers the world's biggest selection of beers. This nugget of information comes not from a boozier's guide or a travel agent but a European Commission report published in mid-June. The fact is beer is of interest not only to publicans or the tourist industry but also to economists: it provided the European Community with a trade surplus of ECU 606mn.\* in 1988, the Community's exports accounting for 95% of world trade in beer. While the Community market for beer is extremely large it is not a common market: only 4% of all beer consumed within the Community has crossed a national frontier.

In other words, only a tiny proportion of it leaves its region or country of origin. Even the best-known brands are often brewed under licence outside the country in which they first saw the light of day. A Belgian brand on sale in Britain is brewed in the U.K. in fact. This is because the largest breweries established in the various EC countries enter into licensing arrangements with one another, under which one brewery grants to another the exclusive right to brew and market its beers in the other's home market. The European Commission regards such licensing agreements as in the interests of consumers, to the extent that they offer him a wider choice. But such agreements can also serve as vehicles for market sharing, by protecting certain brands against imports, in the Commission's view. It is planning, therefore, to examine all licensing agreements, to see if they are compatible with the 1992 single market.

The market for beer has its own customs and in several north European countries many outlets are tied to the brands whose arms they display. Sales of beer through tied houses do not exceed 10% in France and the Netherlands. Elsewhere they are much higher, reaching 25% in Germany, 35% in Belgium, 40% in Luxembourg and as much as 62% in the U.K. Britain in fact is the only country in which the European Commission might eventually intervene in order to ensure free competition; for the moment, it is waiting to see just how effective the measures taken by the U.K. government turn out to be.

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The Commission has no intention of intervening in the agreements between small brewers and retailers. It takes the view that such agreements do not restrict competition and trade at the Community level, so that it is up to the national authorities to decide how far they are acceptable. These agreements often enable small specialist brewers to remain in business, to the delight of regulars and tourists. The Commission must only decide at which point a brewery can be regarded as "small".

There seems to be a link between the tied-house system and the selection of beers available to consumers, in the Commission's view. In the countries in which the system exists a profusion of beers are on sale; elsewhere, as in Ireland and Denmark within the EC, and Australia and the United States outside it, a small number of breweries share the market, which is dominated by one or two major brands.

The fact is that only four EC countries account for nearly two thirds of all beer sales in the Community: Britain, Germany, Belgium and Luxembourg. It is here, perhaps not surprisingly, that more than 90% of EC breweries are to be found. It is in these countries, as well as in other northern regions of the Community, that beer sales are more or less static and consumers remain faithful to "their" brand. The situation is very different in the Community's southern regions. Here beer consumption, although low, is rising sharply and the major breweries from the North are investing heavily.

In any case, each country has its own habits when it comes to beer drinking. Pubs and other on-licensed premises account for the lion's share of sales in Ireland (90%), the U.K. (80%) and Spain (75%). This is also largely true of Greece and Portugal (more than 60%), on the one hand, and Belgium (55%) on the other. But the share of on-licensed outlets falls to around 40% elsewhere in the EC and is as low as 35% in France and Germany. When all's said and done, 1992 is unlikely to revolutionize the world of pubs and off-licensed premises.

\* 1 ECU = UK£0.72 or IR£0.77

**ENVIRONMENT: British beaches are not especially clean ...**

... but the situation is not much better elsewhere in the Community.

The European Commission has decided to start infringement proceedings against the United Kingdom Government for failing to comply with a 1976 EC Directive on the cleanliness of bathing water. And yet the Directive in question allowed Member States 10 years in which to make sure that their beaches and other bathing water conformed to its provisions, especially those relating to the level of salmonella and other bacteria, which can send holiday makers straight from the beaches to their beds. The Directive not only stipulates how samples of bathing water must be taken and analyzed but also requires that 95% of the samples meet the standards laid down.

This is not the case in the United Kingdom, as is borne out by the numerous complaints made by the British themselves and by the reports of their authorities, who are required, like their counterparts in other Member States, to submit regular reports to the European Commission since December 1987. Thus the report submitted by the U.K. authorities in 1987 showed that the frequency with which samples were taken was very often inadequate; in some cases there were no samples at all. This was especially the case as regards bathing water whose quality already failed to meet Community standards. The 1987 report also showed that 41% of British beaches failed to conform to Community legislation. What is more, examination of the plans to clean up bathing water submitted by the U.K. authorities revealed their inability to deal quickly and effectively with the problem of water pollution. The necessary work programme would be completed only between 1995 and the year 2000.

The European Commission found the time limit much too long. It therefore sent the U.K. authorities a letter of formal notice opening proceedings. The authorities have a month in which to reply. Should their reply be regarded as inadequate by the European Commission, it could send them a "reasoned opinion". The British authorities would have a maximum of two months in which to reply, after which the Commission could take the matter to the EC Court of Justice. But the U.K. would not be the only defendant; the fact is that all the Member States are the object of either legal proceedings or enquiries launched by the European Commission since the beginning of this year. Even land-locked Luxembourg has not escaped the Commission's net, because of the suspected pollution of its rivers and lakes.

The only exception is Portugal, which managed to obtain a derogation from the Community bathing water Directive until 1992.

**ENVIRONMENT: The noisy heavens**

The EC Commission initiates proceedings against Belgium for failing to limit noise from subsonic aircraft.

Since 1984 the European Community countries have refused access to their air space to subsonic aircraft which exceed permissible noise levels. The derogations which had been granted for economic reasons expired on 31 December 1989. Belgium, however, has continued to allow aircraft which do not meet international standards, and are therefore excessively noisy, to land in its territory.

The European Commission has refused to turn a deaf ear, so to speak. An extension of the derogations in the case of the regional Belgian airports would give them an unfair competitive advantage, especially in terms of landing fees collected, to the detriment of other Community airports and in violation of environmental protection regulations. The EC Commission has felt the situation to be sufficiently serious to justify recourse to an emergency procedure.

Under this procedure the Belgian authorities have 21 days in which to reply to the letter of formal notice opening infringement proceedings. After this period, and in the absence of a satisfactory reply, the Commission will immediately deliver a reasoned opinion, the last stage before the matter is referred to the Court of Justice.

Having been alerted to the situation in Belgium, European Commission officials will tighten checks on the application of the relevant Community Directive by other Member States, especially at the secondary regional Community airports.

**ENVIRONMENT: The hole in the sky**

Two European Commission recommendations for cutting back on the use of CFCs.

Just as the second international conference to protect the ozone layer was opening in London, the European Commission adopted two recommendations, calling on European manufacturers of refrigerators and plastic foam to cut back voluntarily on their use of chlorofluorocarbons (CFCs). These are the gases responsible for the hole in the ozone layer, which protects us from harmful radiation from the sun. Thus the use of CFCs in the manufacture of plastic foam should be reduced by 35% by 1991 and by 65% for 1993 (in relation to consumption in 1986), with their total elimination set for the year 2000. As for the use of CFCs in refrigerants, the Commission recommends a 25% cutback by 1991 and a 50% cutback by 1993 (in relation to 1986 consumption levels), with their total elimination for the year 2000.

These recommendations have already been accepted in principle by the industries concerned. The fact is they are the outcome of broad consultations between Commission officials and bodies representing these industries. The latter assured the Commission they would recommend to their members acceptance of the programme set out in the documents in question.

This represents one more step towards the revision of the Montreal protocol, the object of the London Conference. The Conference reached a compromise between the position of the majority of European countries, which favoured an end to the production of CFCs by 1997, and that of the United States, which thought the period too short. The London Conference, which also had to reconcile the views of industrialized and developing countries, ended with a decision to stop production of CFCs and halons by the year 2000, although in two stages. Production would be reduced by 50% at least by 1995 and by 80% at least by 1997. The 1987 Montreal Protocol only provided for a 50% reduction of CFCs by the year 2000. However, a dozen European countries, as well as Australia and New Zealand, even undertook in London to stop all CFC production by 1997.

The Conference also set up an international fund to help developing countries replace CFCs with products which are less damaging for the ozone layer but are also more expensive. The fund, to run for three years initially, although an extension is already envisaged, will receive \$160mn. to begin with. The sum will be increased by \$80mn. once India and China sign the Protocol.

**SPORTS: Scotland to host the European Special Olympic Games from 21 to 27 July**

3,000 athletes to take part in the second Games for the mentally handicapped.

Some 3,000 athletes from more than 20 countries will take part in the second European Special Olympic Games, to be held in the Strathclyde region of Scotland from July 21 to 27. They will be competing in 12 official sports. As many as 80% of the participants are from European Community countries, which has contributed ECU 325,000 towards the cost of holding the Games, to which President Delors has given his patronage.

These Games provide people with a mental handicap the chance to develop their physical skills, display their talents, strengthen their character and fulfil their human potential through sport.

The Olympic torch, which was lit at Mount Olympus in Greece at the end of May, was carried through seven Community countries before arriving in Glasgow. When it reached Brussels a brief ceremony was held at the entrance to the European Commission's headquarters. It was attended by Mr. Millan, the Commissioner in charge of regional policy, who comes from Strathclyde, and Mr Dondelinger, the Commissioner responsible for a People's Europe.

Mr Dondelinger greeted the runners and reminded them of the social aspects of Community activities, especially those on behalf of the handicapped. He stressed the importance of sport in their social integration. "The European Special Olympic Games", he concluded, "offer an excellent opportunity to prove to Europeans that the new Europe which we are building for 1993 will be marked by solidarity."

**AGRICULTURE: Run your car on cereals!**

The Twelve agree to subsidize alternative uses for foodgrains.

"Run your car on cereals!" Not as eye-catching a slogan as "Put a tiger in your tank". But you may soon be invited to do just that. Or to pack your groceries in a bag made from ... cereals. The fact is the European Community's agricultural ministers agreed at the end of June to stimulate alternative - that is, non-food - uses for cereals.

Thus farmers who take out of cultivation at least 40% of their farmland will have the right to turn over half this set-aside portion to the production of cereals for non-food uses. Community subsidies will enable them to sell their output to industry at the relatively low world market price and yet enjoy a decent income.

So far the high price of Community cereals has discouraged their use as a raw material for the manufacture of plastics or as fuel for motor vehicles. The solution now adopted by the Twelve should eliminate this obstacle, even while helping reduce farm surpluses.

The European Commission will spread information on non-food uses, so that all those who are interested can profit from the experience of others. It will assess the results after a year's operation, with a view to extending the system to agricultural products such as castor oil, rapeseed and elephant grass.

**WORK-FORCE: Illness or injury kept 14% of Europeans from work ... with the Dutch leading the field.**

During a normal working week in the spring of 1988, some 14% of the European Community's work-force was absent from work because of illness or injury, according to a European Commission study published end June by Eurostat, the EC's statistical office. Taken together, illness and injury in fact are major reasons for absence from work, coming as they do after vacations and holidays, the number one reason, accounting for 43% of absences in the week in question.

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There is a big difference, of course, between "normal" reasons for absence from work, such as vacations or training courses, which can be planned for in advance, and such unforeseen reasons as illness, accidents, bad weather and strikes. Vacations and holidays accounted for around 44% of the working hours lost during the reference week. Illness and injury accounted for some 24% of working time lost during the week, as compared to 3.6% because of maternity leave, 3.5% bad weather, 1.9% attendance at training courses and under 1% because of strikes.

Illness and accidents together represent the most common of the unforeseen reasons for absence from work. But the situation varies from one EC country to another. Thus 1.9% of working time was lost because of illness or injury in the Community as a whole during the week of the survey. But the corresponding figure was as high as 4% for the Netherlands and as low as 0.5% for Greece and 0.9% for Belgium. Elsewhere in the other EC countries it was between 1 and 2%, although it was over 2% in Britain, France and Denmark.

Working hours lost through illness or injury also depend on the nature of the employment. The survey showed that employees were absent twice as often as employers and self-employed persons. The absence rate due to illness or injury for men was much higher in the case of those employed in such dangerous and physically demanding sectors as fishing, forestry, building and transport. The rate was relatively low in sectors such as banking, the retail trade and insurance. Female absence because of illness was higher in the service sector and industry and lower in the retail trade. Finally, those 50 years of age and over were more frequently absent from work because of illness or injury than their young workmates.