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Commission of the European Communities,  
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Tel. 2351111 - Telex 21877 COMEU B

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TELECOMMUNICATIONS: Pity the poor telephone user

A report by the European consumer associations turns the spotlight on a modern jungle.

Apply for a telephone in Paris and it will be installed in less than two weeks. But in Athens you will have to wait for two years at least and the cost will be five times what it is in Paris: ECU 190\* against ECU 36. However, monthly charges are only ECU 1.80 in Athens, as compared to ECU 5.64 in the French capital.

Even so, it is Germany which holds the record in this field, with monthly rental charges of ECU 13. Germans can console themselves with the thought that a 5-minute call to Dublin costs them only ECU 2.11; should an Irishman return the call he would pay more than twice as much (ECU 4.94).

Bearing in mind that Britain has three telephone companies and Denmark four, it is clear that the picture painted by the European Office of Consumers' Unions (BEUC) in a recent report is a complex one. Trying to compare telephone charges within the European Community is far from easy, given the apparently arbitrary way in which they are set.

Worse, there really is no way in which the telephone user can check the accuracy of his bill. He can complain, of course; but the fact that few do is hardly proof that telephone users are satisfied with the service. The report notes that in certain countries the monthly charges are reduced if the telephone is out of order, after a period which varies from two days in the U.K. to a maximum of two weeks in Luxembourg.

In Italy, Greece and Spain the charges are due in full, however, even in the event of a prolonged breakdown in the service. Finally, in a number of countries, including Belgium, Britain, France, Germany, Portugal and Spain, those on low incomes are charged at concessional rates.

As for public call boxes, there is one for every 200 inhabitants on average in the Community. The largest number are to be found in Italy, where most of them are installed in cafes.

The telephone service varies greatly from country to country. You cannot reverse charges, for example, in France, Germany, Italy, the Netherlands and much of Denmark, except when calling from certain post offices. And you cannot receive calls at pay telephones in Belgium, Greece, Italy, Luxembourg and the Netherlands.

Last June the European Commission published a Green Paper in which it set out the objectives of a telecommunications policy for the European Community. BEUC supports the Commission's efforts but does not take sides on the major role of the national telephone authorities, even though American experience shows deregulation to be in the consumer's interest.

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BEUC believes that there should be no assumption of a permanent monopoly by the existing telephone authorities. The European Commission, for example, could grant them a trial period of five years.

While it is true that the telephone is a public service, it is equally true that the notion of a public service varies greatly from one Member State to another and is not always interpreted in the public's favour. A telephone obviously is no longer a luxury. It is necessary, therefore, to ensure that the harmonization of tariffs advocated by the European Commission in the run-up to 1992 does not penalize telephone users.

BEUC's preoccupations are directly related to the dominant position of the national telecommunications authorities, and its implications for the service in general and for telephone users in particular. Only the European Commission can ensure the necessary checks.

\* 1 ECU = UK£ 0.65 or IR£ 0.78

#### ENERGY: Harnessing the wind

A wind energy conference and exhibition is a major success.

Wind-powered generators could well be producing over 3,000MW of electricity in the European Community within the next 15 years, as compared to a mere 100MW at present. The cost of manufacturing the necessary plant has already fallen by one-third, and is likely to fall even further, thanks to technological advances and large-scale manufacture.

The fact is that the generating plants currently in use, with a capacity of 300 to 700KW, are almost as competitive as conventional electricity generating plants, despite the fall in the price of coal and oil in recent years. Given the expected rise in fuel costs, wind generators could soon become more competitive.

This attractive picture was painted at the major wind energy conference and exhibition organized at Herning, a Danish town close to the largest windfarms in the European Community, by the European Commission in collaboration with the European Wind Energy Association and Denmark's Ministry of Energy.

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The more than 600 participants, from not only Europe but also the United States, Argentina, China and India, turned the conference into the largest of its kind in the world this year. With the products of more than 50 companies on display, visitors were able to see for themselves the latest technical advances and discover that Danish windmills make little noise and take up little space.

The European Community cannot afford to neglect this traditional source of energy, now that modern technology is giving it a fresh lease on life. Nor is it being neglected, judging from the number of plants that are planned for the next 15 years, not only in Denmark but also Britain, the Netherlands and several other European countries.

The conference also made possible the first complete inventory of the Community's research and development programme in this sector, which has a budget of ECU 45mn.\* Its achievements include the first European wind atlas and models for choosing sites; aerodynamic models and new materials in view of the design optimisation of wind machines; new design concepts for components and systems for better efficiency; studies on the social and environmental impact of windfarms and decentralized plants for remote areas.

The conference was given details of a study being carried out by 10 major European utilities on the extent to which wind energy could be integrated into Europe's mainland electricity grids.

The next conference will be held in Glasgow in 1989 and will be followed by one in Madrid in 1990.

\* 1 ECU = UK£ 0.65 or IR£ 0.78

INTERNAL MARKET: The Community seeks greater transparency in take-over bids

The Twelve adopt legislation to deal with raiders.

The Russians are not alone in calling for greater transparency. The heads of many a European Community company have felt the need for it at a time when mergers, takeovers, regroupings, etc. are all the rage in preparation for 1992. The Community Directive adopted by the EC Council of Ministers on July 11 marks a step in the right direction.

The text, which now goes to the European Parliament, lays down a special information procedure. When a natural person, company or financial group acquires - or disposes of - a major holding in a listed company it must inform the company in question as well as the competent national authorities within a period of seven days. The information will be disclosed to the public through the major dailies in all the Member States concerned.

The thresholds the Twelve have provided for correspond to 10%, 20%, one third, 50% and two thirds of total voting rights. In practice, the implementation of this directive would oblige those wanting to launch a takeover bid to provide information on their own shareholdings once these exceeded 10% of the voting rights. This obligation does not exist at present in most Member States.

TRADE: Making dumping a little more difficult

The Twelve tighten Community regulations.

The sale of imported goods at prices which amount to dumping will become more difficult within the European Community now that the Council of Ministers has tightened up the regulation in force. To counter the practice of selling goods on export markets at prices below those prevailing on the home market, the Community has long had recourse to anti-dumping duties. These duties, charged on imports, are levied with a view to forcing the exporter to raise his prices rather than sell at a loss.

Hereafter exporters will no longer be able to bear these duties themselves. The new regulation seeks to ensure that the retail price of the product in question is actually raised. The procedure will also be made quicker and more effective.

RESEARCH: Adding a new dimension to renewable energy sources

The European Commission proposes a programme named JOULE.

The British physicist, James Prescott Joule, already has a law and a unit of energy named after him. Now, nearly a century after his death, his name has been given to a research programme in the field in which he worked with such distinction.

The programme, which the European Commission proposed to the Twelve in early July, bears the acronym JOULE (Joint Opportunities for Unconventional or Long-Term Energy Supply), and deals with the production and diffusion of heat. It would cover the period 1989 to 1992 and be a follow-up to the numerous research projects funded by the European Community since 1975 in the fields of renewable energy sources - sun, wind, geothermal, etc. - and energy savings. The programme, for which the Commission is asking the Twelve for ECU 122mn.\*, would make use of a well-tried formula. As in the case of ESPRIT, BRITE and other Community research programmes, the work would be carried out jointly by universities, industrial firms and research institutes located in two or more EC countries. Half the costs would be met by the Community, the rest by the participants themselves.

RESEARCH: Helping the aviation industry fly higher

The European Commission draws up a Community programme with the industry's help.

Aircraft manufacturers, other interested companies and universities in the 12-nation European Community feel that aeronautical research needs a European stimulant. The European Commission, which had announced in early June its intention to draw up a Community programme, has pushed ahead with the preparatory work.

The research envisaged would cover seven main areas, among them the aerodynamics of high-speed flight; aircraft noise; the materials used in aircraft manufacture and the use of computers in aircraft conception and production.

The programme would bring together companies, universities and research institutes from all Community countries, including those which have no proper aircraft industry of their own. The pilot phase of the programme would last two years and receive ECU 60mn. from the Community.

\* 1 ECU = UK£ 0.65 or IR£ 0.78

RESEARCH: Mouth-watering - thanks to FLAIR

The European Commission favours a research programme to improve food quality.

The customers for the European Community's food industry are an increasingly demanding lot. Food must not only taste good but also look attractive and be healthy. To help the industry the European Commission wants the Community to conduct research in food science and technology.

The programme, dubbed FLAIR, would run from next January and would focus on (1) the evaluation and improvement of food quality; (2) problems of hygiene, safety and toxicity and (3) dietary problems. It would receive ECU 25mn.\* in Community funds over a period of 4 1/2 years.

FLAIR would help coordinate research at the national level, meet part of the costs of projects carried out jointly by companies, universities and research centres from the member countries and provide training and mobility grants.

The food industry employs some 2.5mn. people, in as many as 23,750 food processing firms with more than 20 employees. It accounts for around 10% of the Community's Gross National Product (GNP).

RESEARCH: New technologies and materials for industry

The European Commission wants BRITE and EURAM continued.

The European Commission has proposed that two Community research programmes which have already proved their worth - BRITE+ and EURAM++ - be continued, as this would stimulate the modernization of traditional industries in the run-up to 1992 and the single European market.

The new BRITE/EURAM programme would run for four years and receive ECU<sup>\*</sup> 440mn. in Community funds. Companies, universities and research institutes in the 12-nation European Community would be able to continue working together on projects, with the Community meeting half the costs.

The European Commission has also devised a scheme to help small and medium-sized enterprises (SMEs), under which they could get the EC to meet up to 75% of the cost of testing new ideas and processes.

\* 1 ECU = 7UK£ 0.65 or IR£ 0.78

+ Basic Research in Industrial Technology for Europe

++ European Research in Advanced Materials

UNEMPLOYMENT: Falling in May

400,000 fewer registered unemployed in the EC.

The number of registered unemployed in the European Community had dropped by more than 400,000 to 15.5mn. at the end of May. The last time unemployment fell to this level was in May 1985. The present fall is not only due to seasonal factors but also reflects a downward trend, according to the EC's statistical office, Eurostat.

The May unemployment rate was unchanged, however, at 10.3%, after adjusting for seasonality and the differences between national recording methods.

The number of registered unemployed fell in May in all Community countries except Italy. The unemployment rate has declined in most of them over the last six months, the exceptions being Italy and Denmark. These two countries are also the only ones to have recorded an increase in youth unemployment over this period. The unemployment rate among persons under 25 years of age dipped from 21% last November to 20.3% in May in the 12-nation Community.

THE ECONOMY: Slight fall in unemployment next year

The European Commission's forecasts for 1988 and 1989.

Unemployment in the 12-nation European Community is expected to decline marginally this year and the next, according to the European Community, which has forecast a rate of 11.3% for 1988 as a whole and of 11.1% for 1989. The economy should grow by 2.6% this year and 2.3% next year, according to Commission estimates. These rates are lower than those forecast for the United States and Japan.

Domestic factors will be largely responsible for growth in the Community. Investment is expected to rise by 4.8% this year and 4% the next, while private consumption should increase by 3.3% in 1988 and 2.7% in 1989, largely as a result of lower taxes and savings.

The Commission believes that the completion of the single market, set for 1992, will add roughly 1% a year to the growth rate.



**BRIEFLY ...**

**WILDLIFE** - The European Commission intends proposing a total ban on trade in ivory, the European Environment Commissioner, Stanley Clinton Davis, declared at the opening of the exhibition, Animals Matter, in the European Parliament building in Strasbourg. Some 80,000 African elephants are slaughtered each year, so that their numbers have fallen from 2.3mn. in 1970 to 700,000 today. Of the 800 tonnes of ivory exported each year, 40% is destined for Europe and the United States.

**EC-JAPAN** - Japanese investments in the European Community nearly doubled in 1987, rising from \$3,324mn. to \$6,201mn. The biggest increases were recorded in Britain and Luxembourg. Japanese investments in these countries reached \$2,473mn. and \$1,764mn. respectively. They centred on banking and insurance.

**COURT OF JUSTICE** - The obstacles a Member State may meet in its legislative activities are not a sufficient reason for failing to implement a Community Directive, as the Court of Justice in Luxembourg has recently pointed out, when it condemned Belgium for its delay in giving effect to a transport directive.

**AIR TRANSPORT** - Stockholm has asked the European Community to open negotiations in order to settle the problems arising from the deregulation of air transport which is taking place gradually within the Community. Sweden is directly involved because the Scandinavian airline, SAS, is partly owned by Denmark, a Community country.

**THE DEAF AND HARD OF HEARING** - The European Parliament wants the Community to take steps to encourage the spread of teaching of sign language to the deaf. To help the 500,000 who are totally deaf, and the millions who are hard of hearing, the Member States must not only give official recognition to the sign language in use in their territory but also use it for administrative purposes and the main television news programmes. They must also (1) see to it that it is taught to children and adults who can hear and (2) recognize the interpretation of sign language as a profession.