



a newssheet for journalists

Weekly n° 39/88

28 November - 5 December 1988

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Mailed from: Brussels X

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INTERNAL MARKET: A clean bill of health for the Medicinal Common Market

Good work by Council, Commission and Parliament.

The medicinal European Community is doing better all the time. Slowly but surely the EC Council of Ministers and the European Parliament are adopting Community legislation which ensures that patients are better informed and that pharmaceutical specialities are sold throughout the Community with similar guarantees as to their safety. The Twelve in fact agreed on November 18 to extend this legislation to medicines so far excluded from it. These Community rules will also apply to exports, including exports to developing countries, in many of which such safeguards are missing.

The EC Council of Ministers also took measures to ensure the quality, safety and effectiveness of vaccines and medicaments of the same family. It should also adopt, some days later, a similar regulation covering radioactive substances used to diagnose certain serious diseases. The Twelve were unable, however, to agree on similar legislation covering medicaments derived from human plasma, because of ethical considerations or the danger of contamination by the Aids virus, for example.

The European Parliament gave its approval in mid-November to a Council text regarding the price of medicines and the repayment of prescription charges by the health authorities. This regulation, which gives Community-wide publicity to the national measures which influence prices and repayments, should be formally adopted by the Council before the end of the year. It should encourage pharmaceutical research in the Community, the European Commission believes.

The Commission, meanwhile, is preparing new proposals. They include three which aim at protecting consumers against dangerous residues in meat of vaccines and medicaments. Another will limit tests on new medicines before they are put on the market to one Member State, even while improving the test procedures. The Commission also envisages a Community-wide system of registration for medicines; and it is working, with both doctors and consumer organizations, to ensure greater clarity in the instruction leaflets included with medicines.

EDUCATION: Student exchanges off to a good start, but ...

The first two years of the ERASMUS programme: a balance sheet.

The universities have opted for Europe, thanks to the exchange programme ERASMUS. It has already enabled some 16,000 students from all over the 12-nation Community to spend from three months to a year at educational institutions in another Community country than their own. But the ERASMUS Advisory Committee, which studied the Programme's operation during its first two years, wants to go further, once deficiencies have been corrected, notably as regards the budget and the students' knowledge of foreign languages.

During a meeting in Nancy, France, in September, the Committee pointed out that the programme has encouraged universities to give priority to interuniversity cooperation at the Community level. It concluded that university students are showing a growing interest in the possibility of spending some of their time at other European institutions of higher learning, a point the Commission took up in its report to the Twelve in mid-November.

The success of the programme, and its shortcomings in its present form, can be gauged from the fact that the financial aid requested during the 1987/88 and 1988/89 academic years came to more than three times the budget of ECU 41.2mn.*. The number of participants - some 16,000 - although high in itself, pales into insignificance when compared to the 6.5 million students in European universities. The ERASMUS Committee also regretted that the national bodies entrusted with granting scholarships were proving niggardly on the whole.

The inadequacies on the linguistic front, except in the case of those participants actually studying European languages, was the other major subject raised in the Commission's report. To remedy this situation, and not simply as regards ERASMUS, the European Commission plans to launch shortly an action programme to be known as "LINGUA", the word for "language" in Latin, Italian and Portuguese.

The Commission will also ask the Twelve to extend ERASMUS in the run-up to 1992. The aim: give at least 10% of the Community's students the chance to study in an institution of higher learning located in another Member State.

* 1 ECU = UK£0.66 or IR£0.77.

ENVIRONMENT: An urgent call for action from the Commission

The greenhouse effect could lead to a major crisis in a generation.

The European Commission is a humdrum body on the whole; it is certainly not given to issuing dire warnings about impending planetary disasters. But it is clearly alarmed at the threat to both the European Community countries and the world at large from the greenhouse effect - the rise in the earth's temperature because of the build-up in the atmosphere of gases like carbon dioxide and methane.

"The greenhouse effect", according to the European Environment Commissioner, Stanley Clinton Davis, "will become increasingly apparent during our own lifetimes, building up to a major crisis within a generation." The Commission's report to the EC Council of Ministers both spells out some of its likely effects and the types of action the Community must take as a matter of urgency.

The first is research. European research is needed into the rise in sea levels (which could measure between 30 to 150 cm. some 60 years from now) and its impact on coastal cities and the coast generally. Climatic changes resulting from the greenhouse effect could lead to Mediterranean Europe becoming arid, while the melting of Alpine glaciers could produce flooding in other regions of the Community.

Preventive action could aim at slowing down, and then halting the build-up of greenhouse gases. As carbon dioxide is the most important of them, the Commission wants the EC to promote new energy technologies and press for both an end to the destruction of tropical forests and their regeneration. Energy conservation and efficiency (through better insulation, fuel efficient cars, etc.) and the use of less polluting fuels, including natural gas, would reduce carbon dioxide emissions.

The Commission also wants the use of the man-made chlorofluorocarbons (CFCs) virtually eliminated by the year 2000, through a revision of the Montreal protocol. Although the atmospheric concentration of CFCs is much lower than that of carbon dioxide, they are 10,000 times more efficient in trapping heat.

The Commission also wants the Member States to consider the adaptive measures that might be needed to respond to climatic changes. They would include action to deal with rising sea levels and changing agricultural conditions.

INTERNAL MARKET: More steps towards the Community-wide marketing of foodstuffs

The Twelve agree on dietary products and labelling.

The Twelve are making up for lost time to ensure that foodstuffs and food preparations can be traded freely in the Single Market after 1992. On November 18, they adopted a number of measures regarding dietary products, labelling and the identification of foodstuffs. Both consumers and manufacturers stand to benefit from this spate of activity.

The EC Council of Ministers agreed on general Community rules for products meant for specific groups of consumers: infants, sportsmen, slimmers, diabetics, etc. The European Commission must now adopt specific rules for each category of product.

The Council also adopted a regulation aimed at (1) extending Community rules regarding consumer information to foodstuffs for organized groups and (2) eliminating all derogations enjoyed by Member States so far. The rules in question apply to the labelling and advertising of foodstuffs. And to complete them, the Council of Ministers also adopted a text which will make it possible to identify a given batch of foodstuffs in the event of problems.

ENVIRONMENT: Special solutions for special problems

Proposals for a tailor-made programme for Mediterranean areas.

Despite the sunshine and blue seas, the Mediterranean faces serious problems of pollution and environmental damage. As these often are very different from the problems facing other areas of the European Community, the European Commission has sent the Twelve an action programme, MEDSPA*, specially designed for the Mediterranean areas, which are frequented in summer by millions of tourists from other EC countries.

The programme, to be implemented between 1989 and 1998, would provide funds for projects dealing with problems specific to the Mediterranean, covering several countries and of an urgent nature. Included are projects for improving the water supply, sewage disposal, waste treatment (including the discharge from ships), the fight against forest fires and soil erosion and the protection of tortoises and some species of seals.

* MEDSPA = Mediterranean Special Action Programme.

TELEVISION: The Twelve prepare for the third TV age

The European Commission puts forward an action plan.

The early 1990s will witness the start of the third TV age, ushered in by television sets with larger screens, sharper pictures and sound of compact disc quality. The market for this new High Definition Television (HDTV) will be enormous. And to make sure that the European industry has both a piece of the cake and a say in the recipe, the European Commission wants the 12 European Community countries to adopt an action plan aimed at ensuring the coordinated introduction of HDTV throughout the Community.

The present generation of TV sets is part French, with SECAM, part German and American, with PAL. The new HDTV could well be European. A consortium of some 30 companies has developed the necessary technology, covering not only the production and transmission of programmes but also their broadcast by satellite and reception in the home. This system was demonstrated in Brighton in September.

The Community must now persuade other countries to adopt it, or something very similar, as a world standard. The EC succeeded in preventing the adoption of a Japanese standard during the 1986 meeting of the International Radio Consultative Committee (CCIR). But at its next meeting, set for 1990, the CCIR must finally make up its collective mind.

The Japanese standard, unlike that now proposed by the Europeans, is totally incompatible with all existing cinema and television standards. The Americans, who supported the Japanese two years ago, now favour a compatible, evolutive approach.

The European Commission, which took part in the early stages of the new system, favours the establishment of a body on which governments, the industry and the Commission itself would be represented. Its action plan, which the Commission sent to the Twelve in mid-November, includes promotional efforts to secure acceptance of the European HDTV by professionals and Community co-funding of HDTV studios.

SCIENCE: EC's technological dependence on others ...

... highlighted in Commission report on science and technology.

The European Community is weak in a number of rapidly expanding, science-based economic sectors because of its technological dependence, according to the European Commission's first-ever report on the state of science and technology in the 12-nation Community.

While much has been done through increased spending on R&D and technological innovation, the effort remains unbalanced and fragmented. In any case, it is well below that of the Community's main competitors, the U.S. and Japan. What is more, the newly industrializing countries, such as South Korea and Brazil, are beginning to threaten the Community's position.

The EC has the resources needed to meet these challenges, the report points out. It is rich in scientific talent and organizational skills and can afford to invest more in R&D. The Community needs, however, to secure greater acceptance and understanding of science and technology at all levels of society, to encourage the spread of technological skills, attract more private sector finance and foster links between industry and the universities.

The report, which aims at providing a factual basis for further reflection, highlights five areas of particular importance to the Community economy. They include information technology and telecommunications; new materials; aeronautics; biology and biotechnology and energy. But the report also points to the need for research into environmental problems, health and road and nuclear safety in order to improve the quality of life.

There is an obvious need to reduce the disparities in spending on R&D. At present, Germany, France and Britain account for three-quarters of total Community expenditure on R&D, while regional disparities are acute. Community research programmes, such as ESPRIT and BRITE, and transnational programmes (EUREKA, CERN) together account for only a small part of the total R&D effort.

SMEs: More Community help with financing investments

The European Commission wants to raise up to ECU 1,000mn. a year.

The European Commission is seeking the approval of the European Community's Member States to raise between ECU 500mn.* and ECU 1,000 mn. a year to help finance investments by the Community's small and medium-sized enterprises (SMEs). The funds would be raised by the Commission on capital markets through the somewhat curiously named New Community Instrument (NCI), and would be lent to SMEs in order to promote (1) the diversification of rural economies and the protection of the environment and (2) new technologies and their applications.

This would not be the first time that the Commission had used the NCI to help SMEs. As many as 5,000 of them received loans from the fourth tranche of the NCI, starting in 1987. With less than ECU 30mn. left over from NCI IV, the Commission wants both to embark on NCI V and adopt the new priorities mentioned above.

With the on-going reform of the common agricultural policy, the agricultural sector is losing much of its economic importance, especially in terms of employment. At the same time modern agricultural methods have resulted in growing environmental deterioration. NCI V would be used, therefore, to finance investments by SMEs in all forms of non-agricultural activities, including the agro-industrial, and those which protect the environment. NCI V funds would be on offer in all rural areas.

But they would also be available to SMEs throughout the Community that want to make use of the new technologies, especially in order to become more competitive. Spending on training programmes would be treated as intangible investments for the purposes of NCI V.

The European Commission is seeking the Member States' authorization to raise additional funds within the limits set by its repayments of earlier NCI borrowings, with an upper limit of ECU 6,000mn., which is the sum of all outstanding NCI borrowings. The scheme would run for three years in the first instance. It would ensure that NCI V, unlike its predecessors, did not add to the Community's debt burden.

It would also give the EC the status of a regular borrower, and follow it to raise funds on the best possible terms.

* 1 ECU = UK£0.66 or IRE0.77.