

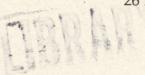
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Mailed from Brussels X

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200 rue de la Loi • T-120 7/56 • 1049 Brussels • Belgium • Tel.: 299.90.52 • Fax: 299.92.08

SINGLE MARKET: Will there be free movement of persons by year's end? European Commission wants to convince the Twelve to end controls.

Can a border-free single market have any meaning for those thousands of Europeans who are asked to show their passports on trains running within the European Community and at EC ports and airports? 1 January 1993 looks very much like a promise unfulfilled, when viewed in this light ... . But what can be done to get the Twelve to meet their obligations as quickly as possible? There is no point in threatening to take them to court or drafting new "European laws", according to the EC Commissioner responsible for the internal market, Raniero Vanni d'Archirafi. He set out his views in early April to the European Parliament's committee on public freedoms.

Euro-MPs, already concerned at the delay in implementing the free movement of people, asked the European Commission, in a resolution adopted in February, to take the "political and legal measures" needed to redress the situation and to report to them in April. Mr. Vanni d'Archirafi did just that: he explained to the Euro-MPs, and through them to the public at large, the reasons for the current delay and the Commission's attitude.

To begin with, if the Commission and nine EC countries take the view that the EEC Treaty, the Community's "constitution", as amended by the 1986 Single European Act, provides for the elimination of checks at the EC's internal borders for everyone, as from 1 January 1993, the British, Irish and Danish governments beg to differ. They take the view that freedom of movement concerns EC citizens only, and not those from third countries - which amounts to maintaining checks at internal borders.

Next, the nine governments which accept an end to checks in principle, nevertheless feel they are not yet in a position to do so. They feel that they cannot throw open their internal borders without first taking measures aimed at preventing illegal immigration and abuses of the right of asylum, and at fighting the traffic in drugs, terrorism and organized crime. It so happens that these measures, many of which are contained in the Schengen Convention adopted by the Nine, were not ready as of 1 January 1993; nor are they as of now. Seven of the nine EC

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countries have definitively adopted the Schengen Convention: it is enough that Germany ratifies it for the Convention to be implemented by eight out of the nine, perhaps in September or October. Greece, the ninth country, has yet to ratify the Convention; but it only joined the Schengen group last November.

But the Schengen Convention will not settle everything on its own. The elimination of checks on passengers travelling on flights within the EC will require substantial changes to the layout of airports in the nine countries in question. Of the 210 airports which are involved, 205 will be ready this December; as for the five others, the possibility of eliminating checks by means of provisional measures at the end of the year is being studied.

As for the EC countries which have not adhered to the Schengen Convention, progress has been recorded. Since March citizens of EC countries entering and leaving Irish ports and airports need only wave their passports or identity cards as proof of their nationality. The U.K. plans to have recourse to the same formula in the case of ferry passengers travelling to and from the Continent. As for the Danes, they envisage special lanes for nationals of EC countries using Danish ports and at the frontier with Germany. Here, too, it will be enough to wave one's passport or identity card.

The European Commission had decided to use persuasion and to put pressure on governments, in order to ensure that all EC countries advance as quickly as possible towards the goal of a complete end to checks at the Community's internal borders. According to Mr. Vanni d'Archirafi, taking recalcitrant Member States to court for failing to comply with the EEC Treaty will serve no useful purpose: the procedure is a very long one and, what is more, cannot solve practical security problems at the EC's frontiers. At the same time the Commission can scarcely put forward draft "European laws", as their adoption would require unanimity among the Twelve. The Commission nevertheless plans to assess the situation this autumn - and to take measures if progress proves to be too slow.

AGRICULTURE: A fall of 3.5% on average in agricultural incomes

A trend which justifies CAP reform, according the EC Commissioner Steichen.

Farmers normally expect to earn more if they produce more. But in agriculture just the opposite can happen. Thus in 1992 EC farmers increased their production by 2.9% in volume. Their incomes fell, however, by 3.5% on average - despite a rise in subsidies of 10.4% on average in real terms. The EC's agricultural commissioner, René Steichen, was not surprised by these figures, published by Eurostat, the EC's statistical office, at the end of March. "It is obvious", he declared on March 30, "that in conditions of market saturation an increase in production can only depress prices and farm incomes."

"In the course of last year," he continued, "farmers and their professional bodies tended to blame the reform of the common agricultural policy, or CAP, for any fall in prices and incomes, even though the reform had not yet come into force." Commissioner Steichen added that he hoped farmers "will recognize the absurdity of such an attitude, and will realize that it is the very policy that some of them would like to see maintained that is bringing about a fall in their incomes."

The outcome of the present European agricultural policy is surplus production, whereas the reforms decided by the Twelve last June seek to reduce the risk of overproduction.

The fact is that in 1992 it was the very sector which had witnessed a sharp rise in production - fruit, vegetables, wine, etc. - which was mainly responsible for the decline in farm incomes. Crop production rose by 5.22% in volume, one of the sharpest increases since 1980. But prices fell by 15.2% on average in real terms in the EC as a whole. Prices of fresh fruit even fell by as much as 27.6% and of potatoes by 34.4%.

Despite these rather gloomy figures, Eurostat stresses that farm incomes last year nevertheless were 7.7% higher than in the years 1984-1986. They almost reached the very high levels of 1989 and, since the beginning of the 1980s have risen by nearly 15%. As for the net income of farm families in the EC, it fell by 7.2% last year, after rising by 2.6% in 1991. Last year's fall came about despite a clear drop in taxes linked to production - by 13.6% on average in real terms.

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These figures for the EC as a whole conceal substantial national differences. Thus, despite a generally downward trend, farm incomes rose by 2.2% in the U.K., by 2.5% in Germany, by 6.9% in Luxembourg and by as much as 16.5% in Ireland. In the other EC countries the fall in prices ranged from the 0.9% recorded in France to more than 10% in Denmark and Greece and over 12% in the Netherlands. The fall in prices amounted to 4.1% in Italy, 5.3% in Belgium, 8.7% in Portugal and 9.6% in Spain.

## SOCIETY: Wanted - projects for senior citizens!

An EC-wide competition is organized with the Commission's backing.

Do you have ideas for improving the quality of life of the EC's senior citizens? Have you designed, perhaps even made, an object or a product, or conceived a service or a system likely to make life easier or more agreeable for the elderly as regards their health, leisure activities and even work? If so, you can take part in the competition "Designs for all ages! New ideas for a better life!" organized by the European platform of organizations for the elderly, with the financial backing of the European Commission.

To take part in the competition, you must first obtain the necessary registration form from EPSO (European Platform of Seniors' Organizations). The address is 142 avenue de Tervueren, Box 5, B-1150 Brussels, Belgium, Tel.: (32-2) 732 58 05, Fax (32-2) 732 54 19. The form must be returned, duly filled in and accompanied by your proposal - in the form of a text or drawing - by 1 August 1993 at the latest. You can compete in any of the EC's official languages\*. The three best proposals from each EC country will be chosen in September. The 36 proposals will be submitted to a European jury, which will select the three winners.

\* Danish, Dutch, English, French, German, Greek, Italian, Portuguese and Spanish.

REGIONS: ECU 130mn. for the victims of the ending of the cold war European Commission launches a programme to redeploy workers.

The ending of the cold war has been a mixed blessing. The cutback in military expenditure and the closure of some bases has resulted in job losses. Some regions of the European Community, heavily dependent on defense spending, could suffer substantially. In order to facilitate the economic redeployment of these regions, which are to be found more or less throughout the EC, the European Commission launched in early April an action baptized KONVER, and representing ECU 130mn.\* in aid for 1993.

It was the European Parliament which took the initiative by voting the necessary funds and calling on the Commission to launch KONVER without further delay. The European Regional Development Fund (ERDF) will provide ECU 85mn. and the European Social Fund (ESF) ECU 45mn.

The money will be used to cover part of the expenses arising from the redeployment of workers and sites. The activities to be undertaken will include the provision of vocational training for workers, in order to help them acquire fresh qualifications; the redeployment of military sites and their surroundings for use by firms active in non-military sectors; the provision of consultancy services for firms; aid for small and medium-sized enterprises and the promotion of new technologies.

The European Community has already supported similar actions in regions dependent on such declining industries as steel and textiles. In the case of KONVER, however, the EC will also aid regions which are not normally entitled to Community funds, because they have not been classified as disadvantaged regions. EC governments must submit proposals they want financed by 31 July 1993 at the latest.

In a study published at the end of last year by the European Commission, the experts listed 51 regions as dependent on defense industries and military bases. They are located in nine countries - the Twelve minus Ireland, Luxembourg and Denmark. In 26 regions, located in six countries - Britain, France, Germany, Greece, Italy and Spain - job losses in this sector are either envisaged or likely.

<sup>\* 1</sup> ECU = UK£0.80 or IR£0.80

## **HEALTH:** The dangers of passive smoking

A survey claims that only 52% of Europeans are aware of them.

"Tobacco is injurious to your health". The warning appears on all cigarette packets. But whose health? Clearly, that of the smoker. But also the health of those around him, "passive" or "involuntary" smokers, who inhale other people's cigarette smoke. After having carried out numerous studies, medical experts are convinced that passive smokers run the risk of lung cancer, in the case of adults, and serious health problems in the case of children. For the man in the street the danger is not so obvious, however. Only 52% of Europeans, 15 years and older, are of the view that passive smoking can result in serious illnesses.

This is one of the findings of a study carried out last autumn, on behalf of the European Commission and published at the end of March. However, 79% of those polled find themselves inhaling other people's cigarette smoke - 39% of them often and 40% occasionally. No fewer than 65% of those polled are irritated by such smoke; the figure rises to 83% in the case of non-smokers and falls, unsurprisingly, to 32% in the case of smokers.

Non-smokers on the whole make little effort to defend themselves against cigarette smoke. Only 38% of them ask smokers "often" or "occasionally" to stop smoking because they find it embarrassing to do so. However, 72% of smokers who were polled claimed they refrain from smoking in order not to annoy others - 33% "often" and 39% "occasionally". But among the smokers who "often" refrain from smoking when others are present, the proportion of moderate smokers - less than 10 cigarettes a day - is twice as large as heavy smokers - those who get through at least 25 cigarettes per day.

Should smoking in public places be banned entirely, or be allowed to a limited extent? The new study confirms the results of a poll carried out in February and March of 1992. As many as 82% of those polled - as against 80% previously - want to see restrictions on the right to smoke in public places, while 88% - as compared to 85% previously - favour a clear separation between smokers and non-smokers at the workplace.

# MOTORING: Unleaded petrol is doing well ...

... accounting for 46.7% of total deliveries of petrol in the EC last year.

Sales of unleaded petrol are on a rising curve in the European Community. Last year this "green" fuel accounted for 46.7% of total deliveries of petrol, according to the figures published in mid-April by Eurostat, the EC's statistical office. The rise since 1986, when the share of unleaded petrol was close to zero, is unmistakeable: in 1989 its share was still a modest 22.4%, but had risen to 40.5% in 1991. Last year deliveries of unleaded petrol increased by 17% in relation to 1991, for the EC as a whole, while total deliveries of petrol rose by a mere 1.5%.

But the picture is not the same throughout the EC. Sales of unleaded petrol are growing much faster in the EC's northern states. Germany has broken all records: last year deliveries of unleaded petrol accounted for 84.1% of total deliveries. It is followed by Denmark (69.7%), the Netherlands (69.4%) and Luxembourg (57.8%). Britain is close to the EC average with 46.8%. But the share of unleaded petrol is just 33.8% in France, 32.7% in Belgium and 30.2% in Ireland. Its share is very small in the EC's four southern Member States: 17.5% in Greece, 13.1% in Italy and Portugal and 6.1% in Spain.

# <u>UNEMPLOYMENT:</u> A further rise in February 10.1% of the EC workforce is jobless.

After having crossed the 10% mark in January, the rise in unemployment has continued unabated: it stood at 10.1% of the workforce in the European Community as a whole in February, according to figures published in early April by Eurostat, the EC's statistical office. The last time unemployment stood at this level was in the fourth quarter of 1987, when the trend in fact was downwards, or the fourth quarter of 1983, when the number of jobless people was rising.

In this worrying situation the experts at Eurostat have nevertheless found a silver lining to this particular cloud: during the last 10 years unemployment among those under 25 years of age has fallen steadily. It stood at 23.1% at the end of 1983, at 20.7% at the end of 1987 and at 19.2% this February.

<u>POWER: More electricity in 1992 from nuclear and hydroelectric power stations</u> But thermal power stations continue to dominate the 12-nation EC.

The total amount of electricity generated in the European Community stagnated last year. But the output of nuclear and hydroelectric power stations rose, at the expense of conventional thermal power stations, which nevertheless continue to dominate the sector, according to the annual statistics published in early April by Eurostat, the EC's statistical office.

Thermal power stations, which burn coal and oil or natural gas-based fuels, still accounted last year for 55.1% of the electricity generated in the 12-nation EC - as compared to 57.1% in 1991 and 57.8% the year before. In Denmark, Greece, Ireland and the Netherlands thermal power stations account for more than 90% of the electricity generated; the corresponding figures for Portugal and Italy are 82.6% and 77.4% respectively.

The share of nuclear power stations for the EC as a whole rose from 33.3% in 1991 to 34.6% last year. It rose in all six EC countries with nuclear power stations, to reach 72.9% in France and 59.9% in Belgium - levels which, even so, where below those reached in 1990.

Other sources of electricity, mainly hydroelectric, supplied 10.3% of EC electricity last year, as compared to 9.6% in 1991.

#### POWER: Imports of natural gas fell in 1992

Imports from Algeria rose slightly, and fell slightly from the former Soviet Union.

While demand for natural gas fell slightly in the European Community last year, and Community production increased only marginally, imports from non-EC countries fell for the first time in a good many years - although by a mere 0.4%, according to Eurostat, the EC's statistical office.

Even so, imports last year accounted for nearly 39% of EC consumption. The former Soviet Union remains the Community's main supplier, accounting for nearly 44% of EC imports. Deliveries of Soviet gas fell nevertheless by 3.6% in 1992. Algeria is the EC's second largest supplier, accounting for 31% of its imports; it recorded an 11% increase last year. Next comes Norway, with 24% of the total and, finally, Libya, with just 2%.