

research and technology

bulletin published by the press and information services
of the commission of the european communities

REPRODUCTION AUTHORIZED

Brussels, 1 December 1970

No. 77

** Barring any serious unforeseen eventualities, a SHORTAGE OF ENERGY SUPPLIES IN THE COMMUNITY IN THE COMING MONTHS IS UNLIKELY. This fact emerges from a study drawn up by the staff of the Commission of the European Communities on the situation of the energy market in the Community.

A brief summary of the study is given in ANNEX 1.

** From various reports in the specialist press on the CONSTRUCTION OF THE AIRBUS, certain conclusions can be drawn concerning the potential market for one or more European airbuses. ANNEX 2 contains some of the findings which emerge from an analysis of the specialist press.

** In reply to a written question by Mr Glinne, a Belgian member of the European Parliament, on SUPPLIES OF URANIUM TO EURATOM AND COMMUNITY COUNTRIES from Namibia (an African territory administered by the Republic of South Africa), the Commission of the European Communities points

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out that the contracts awarded by private firms or public bodies in the Member States for the importation of ores, raw materials and special fissile materials into the Community are governed by the provisions of Chapter 6 of the Euratom Treaty, which in this respect invests the Community's Supply Agency with powers of a commercial nature. By virtue of the Agency regulation concerning the simplified procedure for the purchase of ores and raw materials, Community firms are empowered to negotiate directly and to sign contracts for ores; these are notified to the Agency and deemed by it to have been concluded.

The Commission has no knowledge of uranium supply agreements said to have been concluded by Member State Governments with the Government at Pretoria; the Commission must be notified of such agreements under the terms of Article 103 of the Euratom Treaty.

** The Commission of the European Communities recently forwarded to the Council of Ministers of the Community a draft directive on STATISTICAL SURVEYS ON THE INDUSTRIAL SITUATION. These should provide the Commission, as well as the authorities concerned in the Member States, with a sound basis for studies of the industrial situation. The surveys are to begin in January 1971 and will cover industrial enterprises (including the building industry, civil engineering and energy) with payrolls of 20 and over.

** THE HEALTH ASPECTS OF THE IRRADIATION OF FOODSTUFFS for preservation purposes were the subject of a colloquium recently held in Luxembourg at the invitation of the Commission of the European Communities and attended by experts from the six Community countries. The colloquium provided an opportunity for a broad exchange of views on the experience gained and on the research in progress in the various laboratories; five of these have been conducting a Community research programme under contract to the Commission since 1967.

- ** COAL RESEARCH will form the subject of a two-day symposium to be organized by the Commission of the European Communities in Luxembourg on 8 and 9 December 1970. At this symposium details will be given of the practical results achieved in this sector in the Community.

- ** The Commission of the European Communities is to have a study carried out into the possibilities for applying NEW AUTOMATION TECHNIQUES IN MEDICINE, with a view to more efficient and speedy collection, storage and analysis of data.

- ** The Coordinating Committee on Textile Industries in the Community (COMITEXTIL), which some time ago produced a survey of JOINT TEXTILE RESEARCH in the Community countries, recently published its proposals for the Community's contribution to the financing of JOINT ACTION IN TEXTILE RESEARCH IN MATTERS OF GENERAL INTEREST.

- ** A study on the COMMUNITY PAPER-MAKING WOOD PULP INDUSTRY AND MARKET was recently published in the "Industry" series by the Commission of the European Communities. This publication is on sale at the Publications Office of the European Communities (37 rue Glesener, Luxembourg).

ANNEX 1The Energy Market Situation in the Community

Barring any serious unforeseen eventualities, a shortage of energy supplies in the Community in the coming months is unlikely. However, there have been appreciable price rises which may persist for some time, more particularly in the case of oil products.

This fact emerges from a study recently drawn up by the staff of the Commission of the European Communities on the energy market situation in the Community. The study relates to the situation at the end of October 1970, and some of the factors involved are likely to change fairly rapidly, so the information below should be treated with this reservation in mind.

The high level of business activity during the first half of 1970 led to an increase in energy requirements which exceeded estimates. These requirements were, in fact, met without difficulty but, in view of the situation on the world market and various factors tending to put up costs, some prices increased steeply in comparison with mid-1969.

1. In the case of oil products, the market situation changed radically during the first half of 1970: after having been low and relatively stable for a long time, consumer prices for the main oil products, particularly fuels, rose sharply. The scale of the increases, however, varied according to country, notably owing to the different counter measures taken by some governments.

In most of the Member States, the consumption of oil products is clearly on the increase, but the break in certain supplies from the Mediterranean area in mid-1970 did not affect the regularity of crude oil supplies. In the middle of summer, standby stocks were at the required levels, totalling at least two months' supplies.

2. The rise in the price of Community coal, which began in the last few months of 1969, has continued since the beginning of 1970. The increases recorded during the second quarter of the year alone are between 8 and 30%, depending on the coalfield and the grade. The strain on the world coking coal market caused a further rise in the cost of imports from the USA.

Generally speaking, it is to be expected that, after some years of relative stability, coal consumption in the Community may again show a certain decline in 1970. However, since for various reasons Community production has fallen more than demand, more imports are necessary if requirements are to be met.

The coal market situation confirms that, despite all efforts at rationalization, production is still fairly rigid and cannot be quickly adapted to fluctuations in the market.

3. There are a variety of reasons for the current situation, three of which may be mentioned:
 - (a) The strain on the American market for several months, where energy supplies are out of line with demand;
 - (b) The closure in May of Tapline, the pipeline which carries some of Saudi Arabia's oil output to the Mediterranean; also, the cutbacks on production imposed by the Libyan Government;
 - (c) The resultant change-over to more distant sources of supply, which has created a heavy burden on the sea freight market.

ANNEX 2

Potential Markets for the European Airbus
(based on an analysis of the specialist press)

The American company McDonnell Douglas, which has already sold 119 medium and long-haul DC 10 trijet airbuses and received 122 options for this aircraft in its various forms, recently announced that it is holding discussions with its customers concerning the construction of a short-haul twin-jet airbus in which 80% of the components will be the same as in the DC 10; the aircraft will be in direct competition with the Franco-German (and perhaps Anglo-Franco-German) A-300 B airbus and, if it is built, the British BAC-311. It accordingly appears that the main market for the A-300 B and possibly the BAC-311 will have to be sought in Europe.

An estimate of twin-jet airbus sales in Europe might then read as follows:

Germany	36
Belgium	6
France	36
Italy	20
Netherlands	7
Total EEC	105
Great Britain	50
Other countries	43

Since the European companies have ordered only long-haul American three and four-engined jet aircraft, the market for short and medium-haul twin-jet airbuses in Europe may be taken as 198 aircraft up to the end of 1980. In addition, although the chances of the A-300 B have been reduced by the announcement about the construction of a McDonnell Douglas twin-jet, it may nonetheless be hoped that it will corner a quarter of the market in the rest of the world, or about 100 aircraft.

Thus, assuming that only one type of European airbus is built, about 300 machines could be sold by the end of 1980. (This corresponds to the estimated output figure: eight aircraft in 1973 and four per month as from 1974.)

If the negotiations in progress with the British Government failed and a decision was taken to build the BAC 311, the market prospects up to 1980 might be the following:

(a) A-300 B:

Community	105 aircraft
Exports	103 aircraft

It is likely that the two-year lead in the A-300 B programme would give this aircraft a significant advantage. Sales of the A-300 B would thus probably be a little over 200 aircraft.

(b) BAC-311:

Great Britain	50 aircraft
Exports	40 aircraft
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Total	90 aircraft

The world market for European airbuses would therefore most probably be shared out as follows:

A-300 B	200-210 aircraft	about 70%
BAC-311	90-100 aircraft	about 30%
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Total	about 300 aircraft	100%

In conclusion, attention should be drawn to the fact that, according to the specialist press, the competition offered by the BAC-311 is unlikely to jeopardize production of the

4. It is to be anticipated that the prices of oil products and coking coal will continue to be subject to strain during the coming months, but there are a number of factors indicating that there are chances of a gradual relaxation. This might even be speeded up if, after the period of dynamic business activity currently being enjoyed by all the industrialized countries, the rate of expansion dropped somewhat. Only a colder winter than usual or a break in certain deliveries might create problems of supply.

As to oil, Libyan production has already returned to normal in the case of certain undertakings affected by restrictions. With regard to transport, it is to be anticipated that the delays in the deliveries of new tankers in 1970 will be made good in the coming months.

Furthermore, a certain decline in the activities of the iron and steel industry suggests that the current strain on the world coking coal market will ease off in the coming months.

Finally, supplies to electric power plants would appear to be guaranteed in the normal run of work. Only a shortage of fuel oil as a result of political circumstances or exceptional climatic conditions might lead to difficulties during the winter in this sector, as well as in others.

A-300 B, but it might well make the project much less profitable by postponing the break-even date:

	Assuming construction		
	of a single European airbus design	of two European airbus designs	
	A-300 B	A-300 B	BAC-311
First deliveries	1974	1974	1976
Break-even date	1980	1984	1986
Estimated sales end 1980	300	200	100
