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Mailed from Brussels X

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Eurofocus 1/95

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ENVIRONMENT: Don't throw away the packaging

A "European law" seeks to promote its re-use.

Each year, as the old year gives way to the new, there is a veritable explosion in Europe of packaging of all kinds - thanks to the time-honoured custom of exchanging Christmas and New Year presents. But this year the European Union Council decided to act before the flood of paper, cardboard and plastic submerges the 12 EU countries. In mid-December it adopted a directive aimed at ensuring that in future waste packaging is less harmful to the environment.

The directive - a "European law" - sets out the targets to be reached in five years. Thus between 50 and 65% of waste packaging will have to be recovered, and between 25 and 45% of it will have to be recycled, with a minimum of 15% for each type of packaging material. To meet these targets, Member States will have to set up collection and recovery systems. They are free, however, to choose their own method of managing this waste material, provided it complies with the terms of the directive. Member States can even exceed the EU's targets, but not if other Member States are hampered in their efforts.

Each Member State will have to set up a national database, in accordance with European requirements, so that the implementation of the new directive can be verified.

The new directive is only a first step, given that at the end of 10 years at most the EU Council will review the targets, in order to make them more demanding.

ENVIRONMENT: ECU 96 million for "clean" technologies

Funding the European LIFE programme in 1994.

In order to make the 12-nation European Union a little "greener", the European Commission awarded ECU 96 million* to 223 ecological projects in the last weeks

of 1994. This sum, to be shared out among the 12 EU countries ahead of the recent enlargement, represents the EU's contribution to the LIFE programme for 1994.

Nearly half the amount - ECU 43 million - is being used to protect natural sites and to safeguard animal and plant life in all beneficiary countries, with the exception of Luxembourg. The balance - ECU 53 million - is to be spent in a variety of ways. They include the use of "clean" technologies in industry, and the food industry in particular, as well as the "ecological" recycling of waste from tanneries and the metallurgical and plastic industries. The aid is also aimed at developing "green" tourism and improving the networks for monitoring the environment in general and the quality of air and water in particular.

Between 1991 and 1993 the EU devoted more than ECU 181 million to "ecological" projects in the framework of the LIFE programme.

 $1 \text{ ECU} = \text{UK} \pounds 0.78 \text{ or } \text{IR} \pounds 0.79$

ENVIRONMENT: More energy-efficient refrigerators ...

... thanks to a draft "law" aimed at reducing carbon dioxide emissions.

Refrigerators keep food fresh, but at a substantial cost in terms of energy: they account for nearly 7% of the total electricity consumption in the European Union. However, thermal power stations produce more than half the electricity generated in the EU, and the fuel oil, coal or gas which they burn give off large quantities of carbon dioxide - which is responsible for the greenhouse effect and the threat of global warming.

This has led the European Commission to propose to the European Union Council of Ministers in December a directive ("European law") aimed at improving the energy efficiency of refrigerators by 10%. Once adopted, the directive will enable the EU to save the equivalent of 1% of its total electricity consumption in five years.

ECONOMY: The prospects for 1995 are good, provided that ...

... Member States keep up the good work. The biggest risk is that the recovery will dissuade them from tackling the underlying problem.

The European Commission's economic report for 1995 is rather optimistic. The prospects for the European Union are far better than they were a year ago, thanks to the strong economic recovery which has followed the sudden recession of 1992-93. Production is rising at a more sustained rate than foreseen. There was a rapid rise in exports to non-EU countries during 1994, while investments are expected to grow strongly during 1995 and 1996. If the efforts currently being undertaken to strengthen the EU's economic dynamism, carry out the necessary structural reforms and promote investments are pursued, the economy may well grow by 3 to 3.5% a year during the second half of the decade. This would result in the creation of some 10 million new jobs by the year 2000, bringing down the unemployment rate to around 7%. Even so, some 11 million people would still remain jobless.

The Commission is of the view that an additional effort could lead to the creation of 15 million new jobs by the end of the decade; this would reduce the present unemployment rate by half. But in order to achieve this it is necessary to tackle the underlying causes of unemployment. The biggest political risk, according to the Commission, is that the present economic recovery might weaken the determination of the EU's leaders to undertake far-reaching reforms - whereas they should be taking advantage of the improved economic situation to carry out the necessary reforms. The Commission in fact has drawn their attention to the fact that during the earlier period of strong economic growth, in the second half of the 1980s, most Member States did not take the opportunity to implement fundamental reforms and failed to consolidate their budgets adequately. They must not repeat their earlier mistakes, the Commission has indicated.

What must be done to ensure that the present growth is durable and, above all, creates new jobs? From the Commission's viewpoint, what is required is to make the European economy more competitive and dynamic, create the conditions which lead to increased production and maintain a stable macro-economic framework (by reducing budget benefits, holding down inflation, carrying out structural reforms). Equally important is the need to improve the operation of the labour market.

The Member States will have to give priority to the fight against unemployment in the course of the next few years. In this context it will be necessary to strengthen the measures aimed at improving qualifications and creating new jobs. Over and above this it will be necessary to carry out an in-depth reform of the labour market, with public funds being concentrated on measures which actively help the unemployed find jobs - such as training, advice and guidance rather than on such passive measures as unemployment benefits. It will also be necessary to reorganize or reduce working time.

While all Member States will have to make an effort, some clearly will have to do more than others. This is the case, for example, of Spain, which has the highest unemployment rate in the EU (over 21%), or Greece, which has a record budget deficit.

LIFE STYLES: Europeans are spending more on recreation, education and culture ... and less on food, drink and tobacco, according to Eurostat.

European families are spending less today on food, drink and tobacco than in the years from 1985 to 1989, according to Eurostat, the European Statistical Office. Spending on these items currently accounts for 19.1% of total household expenditure, as compared to an average of 20.8% in the period from 1985 to 1989. However, expenditure on recreation, education and culture has risen from 8.4% on average during the second half of the 1980s to 8.7% today.

Spending on food, drink and tobacco has fallen in all EU countries except Portugal, where it has risen marginally from 33.5% to 33.6% of total household expenditure. Even so, it is the Greeks who spend the most proportionally on these items (36.7%). They are followed by the Irish (34.8%), with the Portuguese in third place (33.6%) and the British in fourth place (21.6%). They are followed by the Danes (21.2%), Spaniards (20.3%) and Italians (19.9%). At the other end of the scale are the Dutch, who devote only 14.9% of the budget to food, drink and tobacco. Next to them are the Germans (15.4%), the Belgians (18%) and the Luxemburgers (18.2%). The French, contrary to what one might think, spend just 18.6% of their total household expenditure on eating and drinking - or less than the average for all EU households.

When it comes to "fun" activities, the differences between one EU country and another are substantial. The Irish, who are the most "spendthrift" at 12%, devote on average three times as much as the Luxemburgers and twice as much as the Greeks and Spaniards on recreational activities. They are followed by their neighbours, the British, and the Danes and Dutch, all three of whom spend slightly more than 10% of their total household expenditure on recreational activities. The Germans (9.4%) and Italians (8.8%) also spend slightly more than the average European family. Those who spend the least are the Luxemburgers (4%) and Greeks (5.6%). The Belgians and Spaniards (slightly more than 6%), the Portuguese (7%) and the French (7.6%) are all below the EU average.

The Italians spend the most (nearly 10%) on shoes and clothing, the Danes the least (5.3%), the average for the EU being 7.4%. The Germans devote the largest proportion of their household expenditure to cars (5.4%), the Irish the least (3%), while the French lead when it comes to maintenance and servicing (8.4%), with the Greeks trailing everyone else at 4%.

Generally speaking, total household expenditure as a percentage of Gross Domestic Product (GDP) has fallen to its lowest level in the EU at 59.5% on average, as compared to 61% during the period from 1985 to 1989. Denmark has the lowest

level of spending in the EU - hardly more than 51%. However, the most dramatic fall has been recorded by the Germans - from 60.7% to 53.8% of GDP - with a particularly sharp fall in 1991, following the country's reunification.

When it comes to purchasing power, the Luxemburgers are in the lead: their total consumption per head stood at 124% of the EU average, when measured in purchasing power standard. This is in sharp contrast to the 60% recorded by the Greeks. The corresponding figure for Germany dropped from 116% for the period from 1985 to 1989 to roughly 97% in 1991-92. This fall was largely due to the reunification of the two Germanys.

EDUCATION: The mutual recognition of degrees and diplomas is the key to mobility

The European Commission is trying to improve the situation.

"European laws" guarantee European Union citizens who have trained in one EU country the right to exercise their occupation in another. In the same way, the system for the mutual recognition of degrees, developed within the framework of the EU's ERASMUS programme, has enabled thousands of students to follow some courses, without a break in their studies, in another EU country. The legal framework therefore exists; but the European Commission now intends to move into top gear by developing links between the recognition of degrees, on the one hand, and diplomas on the other.

The Commission has suggested a number of areas of activity in this connection: the provision of better, more detailed information on the educational systems of the various Member States; the qualitative evaluation of national training courses, in order to strengthen mutual confidence in them (each establishment would thus be in a position to compare itself in relation to its neighbours), and the adaptation of training courses by mutual agreement, as this would make it possible to reduce differences, thus facilitating the recognition process.

INFORMATION SOCIETY: A European marketplace ...

... for finding solutions to all sorts of problems via computers.

"Italian hospital wishes to take part in experiments in telemedicine anywhere in the world". "Mayor of Finnish city seeks counterparts throughout Europe for developing telematic systems for local communities". These are examples of the kind of small ads which can be handled by the Information Society Project Office (ISPO), a sort of long-distance marketplace which has been operating since mid-December.

Set up and coordinated by the European Commission, ISPO is aimed at firms making both hardware and software as well as professional users: small and medium-sized enterprises (SMEs); regional, local and national government offices; universities and research centres; professional bodies and users' associations. The aim of this European marketplace is to stimulate the use of computers at a Union-wide level, with ISPO also playing the role of an information exchange centre.

ISPO can be reached by freephone in 11 European Union countries. The number to call in the U.K. is 0800962114; in Ireland it is 1800553224. This service should be extended to the new member countries - Austria, Finland and Sweden - at the bgeinning of the year and then to Greece.

ISPO can also be reached by electronic mail - ispo@ispo.cec.be - through Compuserve - 100137,370, as well as by such traditional means as the telephone (32-2) 296 8800 or fax (32-2) 299 4170 or 299 4180. The mailing address is: Information Society Project Office - BU 24 - 2/78, rue de la Loi 200, B-1049 Brussels, Belgium.

The European Commission has set up ISPO in the framework of the Information Society, a vast programme for the introduction of border-free telematic networks designed to provide a multitude of uses, including scientific research, medicine, road traffic and communication between enterprises and between government departments.

AUDIOVISUAL INDUSTRY: A European Union dependent on the outside world The results of a study carried out by Eurostat.

The European Union became increasingly dependent, during the 1980s and early 1990s, on third countries, particularly the United States, for the supply of films and television programmes, according to a study carried out by Eurostat, the European Union's statistical office, and covering the years from 1983 to 1992.

During this period the EU's trade deficit rose from ECU 300 million* to ECU 1,900 million. While EU imports rose by 260%, its exports increased by just 60%. The U.S. alone more than doubled its trade surplus for the audiovisual sector between 1986 and 1992.

When selling films and television programmes in non-EU countries, most European countries face a linguistic problem. It is not a coincidence that the only EU country to show a surplus with the rest of the world during the period in question was the U.K. This is a sector in which the most interesting markets, from an economic standpoint, are English-speaking. France exports mainly to French-speaking Africa and Spain to South America, markets which are much less rich.

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AGRICULTURE: A ban on the "milk hormone" until the end of the century The Council of the European Union has turned its back on BST.

Bovine somatotropin (BST) is a hormone which enables cows to produce between 6% to over 20% more milk. Its use is already banned in the EU; and the EU Council of Ministers agreed in December to maintain the ban until the end of 1999.

BST therefore can neither be sold in the EU nor used by its farmers. A limited number of scientific trials have been authorized, however, so as to allow the European Commission to submit a detailed report before 1 July 1998.