



A Community without frontiers: a new phase in the construction of the EC

■ by Raniero Vanni d'Archirafi, Member of the European Commission

1 January 1993 was a historic date, not because it marked the end of the legislative programme based on the Internal Market White Paper, but because the process of EC integration has now reached a 'critical mass' and cannot be rolled back. As with any human undertaking, there have been some shortfalls. Nevertheless, the elimination of frontier controls has been the successful conclusion to a lengthy process of harmonization which ensured that the abolition of controls did not give rise to any difficulties. More than this, it attests to a powerful political commitment to work together to tackle common political and economic challenges. It is striking that this is the first time that sovereign States have decided to jointly exercise their sovereignty in order to remove the very symbol of that sovereignty — frontier controls. What greater expression of confidence in the future can there be?

It is true that what has been achieved is incomplete as identity checks on individuals will remain in place for, what will hopefully be, a very short time. However, all other checks on individuals have disappeared along with restrictions on goods, services and capital. The completion of the internal market promises to deliver important benefits to EC consumers and citizens, as well as opening up new opportunities for doing business throughout the Community. However, it will require energy and resolve to bring this labour to fruition. One of the first acts of the newly appointed Commission was to signal its determination to make a success of the internal market. This requires implementation of a strategy encompassing the following themes:

• **Enforcing the rules of the game:** The new buzz-word is enforcement. This involves ensuring that Member States transpose '1992' legislation into national law, wherever necessary. It also requires round-the-clock vigilance to make sure that national and local authorities, firms and individuals respect the obligations generated by this body of legislation. The Commission will be to the forefront in ensuring that '1992' legislation is applied in the market-place. Infringement proceedings will be initiated wherever Member States prove to be lagging in implementing internal market rules. Member States should need no reminding that late implementation of '1992' legislation penalizes domestic firms, who are left behind in the race to take advantage of the new opportunities.

• **Managing the internal market:** Progress towards an internal market has been made possible by a new willingness to accept that products and services be checked for conformity with EC or national legislation in the country of origin. This is the case for financial services, the assessment of conformity with EC technical specifications and veterinary and phytosanitary legislation, among others. These new working methods can only take root if each Member State is satisfied that regulatory requirements are thoroughly enforced and monitored in all the partner countries. Mutual confidence requires familiarity with partner country administrative structures, the existence of early warning systems, and rapid response procedures for dealing with problems that arise in the switch-over to the new regime. The new Internal Market Consultative Committee provides a framework in which teething problems relating to the internal market can be resolved. Elsewhere, the operation of new EC arrangements, such as the transitional VAT regime, requires close partnership between the EC Commission and the Member States. Channels for communication and cooperation between national administrations are critical for the successful operation of the new arrangements. Resources must be made available for management of the new internal market rules and promotion of cooperation and confidence between the Member States.

• **Communicating and informing:** The internal market will go down as one of the greatest missed opportunities in history unless firms and individuals are made aware of the exciting new possibilities and understand the new legislative framework. Consequently, the Commission considers it vital that up-to-date and user-friendly information be widely available. As well as extending existing databases, the Commission will seek to increase the visibility of national implementing measures and to press ahead with codification of EC legislation.

• **Upgrading the flanking policies:** Complementary actions designed to help EC firms and citizens to harness the potential of the single market, such as trans-European networks and support measures for SMEs, will receive greater attention. The introduction of a single currency would be the capstone of the internal market. A successful and properly functioning internal market will be the launching-pad for further moves towards economic and monetary union and European Union.

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DECISIONS

■ Customs checks on non-EC products

Customs officers at the European Community's external borders can suspend the clearance of goods from a non-EC country and consult their colleagues from another ministry or department if they have doubts as to the safety of the goods in question. EC ministers adopted a regulation ('European law') on 8 February setting up a system of Community safety checks in place of checks at the EC's internal borders. The aim is to make sure that imports from the rest of the world do not present any risks to public health and safety and meet EC or, in their absence, national standards. To begin with the new 'law' applies to a list of products which includes toys, foodstuffs and pharmaceutical products. It will be extended to other categories as new European standards come into force.

■ The fate of waste is sealed

The stringent supervision of waste will continue in the single market, under the terms of the regulation adopted by EC ministers on 2 February. Designed to protect the environment, the new regulation represents an exception to the principle of the free movement of goods. The aim is to recycle waste rather than get rid of it and, when this is not possible, to eliminate it as close to the place where it is 'produced' as possible. Each of the Twelve will be able to ban the entry of waste originating in other EC countries and intended for elimination. As for waste which is to be recycled, the authorization of the country concerned will be necessary, together with a contract between the sender and consignee. There will be a ban on trade in waste with non-EC countries.

■ Insurance: inter-firm accords allowed

Insurance companies operating in the single market will be allowed to conclude four types of agreements between themselves, under certain conditions and from 1 April 1993 to the year 2003. The European Commission announced on 19 January that it had adopted a regulation which exempts such agreements from the ban in principle embodied in the Treaty of Rome, the Community's 'constitution'. Certain of these agreements allow future policyholders to make more valid comparisons between the policies proposed by different companies, such as those which set standard conditions or clauses. Other agreements allow companies to learn more of the risks that are being covered and how they are divided among insurance companies; this is the case as regards statistical studies which make it easier to set premiums, the groups set up to cover exceptional risks and, finally, cooperation between

A VERY FAVOURABLE BALANCE SHEET

Nearly 95% of the measures set out in the White Paper on the completion of the single European market had been agreed by 5 February 1993. Of a total of 282 measures, 261 had been definitively adopted and 3, adopted by EC ministers, had yet to come before the European Parliament before being definitively adopted, making a total of 264. Among these measures and 'European laws', 257 are already in force in principle, while 213 of them require to be transposed into the national laws of the Twelve. Of course only 95 of these 'laws' have been transposed in all 12 EC countries without exception; but 80% of national transposition measures have already been taken — a substantial advance over 1992. Denmark continues to lead its EC partners when it comes to transposing EC legislation with 92%; it is ahead of Italy (87%), the United Kingdom (86%) and Belgium (85%). Greece is the laggard, with 72%, while the other countries range between 74 and 82%. As for the four freedoms of movement promised by the single market, three are almost complete: they are the freedom of movement for goods, services and capital. The fourth, freedom of movement of people, is still awaited. Such is the balance sheet the European Commission presented to EC ministers on 8 February.

companies set up to assess the safety appliances of policyholders. All these agreements must nevertheless conform to a certain discipline in order to benefit from the new 'European law'.

□ BRIEFLY

EC ministers adopted definitively on 8 February a regulation which allows national authorities to **ban the marketing of foodstuffs contaminated** by harmful substances between their production and storage in warehouses. The new 'law' replaces various national regulations under which checks were carried out at the EC's internal borders.

The regulation which guarantees a **fair division of available slots at overcrowded Community airports** was adopted definitively by EC ministers on 18 January. Under this 'European law' an airline which uses a slot for less than 80% of the time loses it. Newcomers can have half the slots freed this way (see *Frontier-free Europe*, No 1/93).

INITIATIVES

● Relaunching the economy

This first loans aimed at relaunching the economy could be made in March or April, the President of the European Investment Bank (EIB), Ernst-Günther Bröder, indicated on 28 January. The decision to grant these loans was taken by EC Heads of State or Government at the Edinburgh Summit. The loans would be extended in the framework of the ECU 5 000 million (ECU 1 = UK£ 0.82 or IR £ 0.80) temporary lending facility designed to speed up the financing of major infrastructure projects, particularly in the fields of trans-European transport, energy and environment protection. As for the European Investment Fund (EIF), it could become operational early next year, according to the EIB President. The EIF will provide guarantees for both publicly and privately funded infrastructure projects, and in particular to small and medium-sized enterprises (SMEs). The European Commission presented to the Twelve on 12 January proposals which will allow them to decide, on the basis of unanimity, the amount to be contributed out of the Community budget and by the EIB to the new Fund. Some 60 to 70 commercial banks are also expected to contribute to the EIF's subscribed capital of ECU 2 000 million. Support for SMEs does not represent a new move by the EIB: last year it loaned ECU 2 100 million to them, out of a total lending of ECU 16 100 million. As many as 7 223 SMEs benefited, through the intermediary of banks established in the 12 EC countries. Some 60% of these loans went to SMEs located in regions facing problems, while more than ECU 1 000 million was loaned to firms employing fewer than 50 workers.

● Explaining and improving VAT

The European Commission has set up a committee which has the task of finding out how companies are reacting to the new VAT rules, the problems they are facing and taking note of their eventual suggestions. The committee, which held its first meeting on 5 February, is made up of the heads of bodies representing European enterprises, the relevant Commission departments and the directors of its offices in the 12 Member States. Future committee meetings will bring together, depending on the agenda, representatives of sectoral business organizations and the Euro Info Centres — the information centres for SMEs set up by the Commission. During the first meeting the European Commissioner responsible for taxation, Mrs Christiane Scrivener, explained that the transition to the new, border-free VAT rules represented an investment for European companies. According to a study conducted in the UK, the transition will cost British companies a total of UK£ 100 million in 1993, but the new system will save them UK£ 135 million annually from this year.

● Pasta and medicines

Since the end of last year pasta made from soft wheat and from blends of hard and soft wheat, in countries other than Italy, can be sold freely on the Italian market, despite a national law which

INTRASTAT **The new collecting system of** **intra-Community trade statistics**

Customs formalities and controls on goods at the internal borders between the Member States of the European Community disappeared in January 1993 with the creation of the single market. With the elimination of these customs formalities, the traditional system for collecting statistics on trade between the EC Member States also disappeared. Under this system, statistics relating to trade between Member States were based on the information collected via the 'Single Administrative Document', a document requested by the customs authorities for each shipment of goods. The information given in this document was checked by the customs authorities. This system disappeared in January 1993 when goods started circulating in the internal market without customs documents.

However, detailed statistical information on trade between the EC Member States is still deemed vital after 1992. Businesses and their associations still need this information for their market research and sectoral analysis. National administrations continue to plan to use these statistics to establish their national accounts and balance of payments statistics, and the Community institutions still want these statistics to measure internal market developments.

Eurostat, the Statistical Office of the European Communities, and the statistical departments of the Member States have therefore set up a new system to collect intra-Community trade statistics from 1993 onwards. This new system is called Intrastat and was adopted via Council Regulation (EEC) No 3330/91 of 7 November 1991. Several Commission regulations implementing the system have been adopted in 1992.

Under the new Intrastat system, information on intra-Community trade is collected directly from businesses. Each month they have to send a statistical, and in some Member States a combined statistical and fiscal, declaration to the appropriate Member State services. In this declaration, they give detailed information on their intra-Community trade operations carried out over the previous month.

Registers of intra-Community operators, set up by the statistical services, help in monitoring Intrastat declaration obligations companies. Sanctions are foreseen at the national level if companies do not fulfil their obligations. The major features of the Intrastat system are common in all EC Member States. However, the flexibility of the system continues to allow national requirements to be taken into account.

Statistical information collected under the Intrastat system

Under the Intrastat system, a common base of statistical information has to be collected in all EC Member States. In addition, the Member States are free to collect additional information on a limited number of items.

The following statistical information has to be collected in all EC Member States:

- description of the merchandise being traded and its code in the Combined Nomenclature;
- the Member State of destination or consignment;
- the value of the goods (statistical value and invoiced amount);
- the quantity of the goods (net mass and supplementary units);
- the nature of the transaction (purchase, leasing, etc.);
- the delivery terms (cif, fob, etc.), when appropriate;
- the mode of transport.

EC Member States are free to decide at the national level whether or not they want to collect information on any of the following items:

- country of origin;
- region of origin or destination;
- port or airport of loading or unloading;
- statistical procedure.

In addition to this statistical information, administrative information in order to identify the enterprise providing the statistical information is also collected.

Link to the VAT system

Under the transitional VAT system applicable between January 1993 and the date when a unified system of VAT taxation in the Member State of origin will be applied, businesses also have to make periodic VAT declarations on their purchases, sales and transfers of goods to other EC Member States. These VAT declarations are sent to the national tax authorities.

The tax authorities each quarter provide the statistical services with information to update the register of intra-Community operators. In addition, the tax authorities supply the statistical services with information necessary to check or improve the quality of the statistics collected via the statistical declarations. The link between the VAT system and the Intrastat system therefore provides an important check on the quality of the statistical data.

Statistical thresholds

One of the major aims of the European single market programme was to reduce or even eliminate the administrative burden on businesses in order to stimulate intra-Community trade. A scheme of statistical thresholds to exempt an important number of enterprises from the Intrastat obligation or to simplify their declaration obligation has been set up.

- Enterprises falling under the exclusion threshold are exempt from making any VAT or Intrastat declaration.
- Enterprises falling under the assimilation threshold are exempt from making the Intrastat declaration. However, they are obliged to make the periodic VAT declarations. The information supplied on their VAT declarations is also used for statistical purposes.
- Enterprises falling under the simplification threshold are exempt from making the detailed Intrastat declaration. In a simplified declaration, they only have to provide, for all types of goods traded, the nomenclature code of the goods, the Member State of consignment or of destination and the value of the goods.

Other enterprises have to make detailed Intrastat declarations. However, compared with the previous system, even for these enterprises the information requirements have been reduced.

Preliminary estimates show that between half and two-thirds of all enterprises involved in intra-Community trade, and especially small and medium-sized enterprises, will be exempt from any obligation to make monthly Intrastat declarations.

Help tools developed under the 'Comedi' project

To help companies prepare their Intrastat declarations, Eurostat and the statistical services of the Member States are developing and implementing modern data capture and transmission instruments. The use of these instruments will considerably reduce the amount of paper work for enterprises.

However, enterprises are still allowed to make their Intrastat declarations on paper if they wish to do so. Paper forms for each type of declaration have been developed by Eurostat. In certain Member States, the statistical services prepared additional national forms.

Eurostat developed several modern data capture and transmission tools under the Comedi project (commerce electronic data interchange):

- To assist companies in classifying their products according to the Combined Nomenclature, nomenclature help tools have been developed. The legal texts of the Combined Nomenclature as well as the self-explanatory texts and the indexes are available in the nine official Community languages. These nomenclature help tools are available on paper and on disk.
- A software package, IDEP (Intrastat data entry package), was developed to help companies make their Intrastat declarations. The package guides the person making the Intrastat declaration through all items on which information has to be provided. The data can be entered manually or can be retrieved from other data storage facilities. The validity of the data is checked auto-

matically. The output is an Intrastat declaration either on paper, disk or electronic message. IDEP can be linked-up with the nomenclature help tools on disk. A link with the CD-ROM Comext, on which European Community trade statistics are made available, is also being developed. This link will allow companies to obtain trade information easily on the products and markets in which they are most interested.

- The use of EDI (electronic data interchange) is encouraged for the transmission of the Intrastat declarations between businesses and the statistical services. The Edifact message Cusdec/Instat provides standards for the electronic transmission of the Intrastat declaration.

Intrastat promotion campaign

The Intrastat project is a pilot project in the development of a trans-European statistical network which will improve the exchange of information and the communication between all parties involved.

The success of the system depends largely on the participation of the business community and on the cooperation of all parties involved. To inform the enterprises about their obligations under the new system, an extensive promotion campaign was launched by Eurostat and the Member States.

Informative seminars and conferences have been organized in all Member States. Leaflets, technical documents and user guides have been sent out to businesses. A video film on the Intrastat system was shown on several national television channels.

A workshop was organized by Eurostat for the national officials implementing the Intrastat system. The national statistical services have set up helpdesks to answer questions from companies. An Intrastat helpdesk was set up by Eurostat to coordinate information given at Community level.

Implementation of the Intrastat system

The implementation in January 1993 of the new Intrastat system signified a major change in the collection techniques used in the domain of trade statistics. The set-up of the new system has been such as to minimize the effects on the quality of the data produced.

Member States' statistical services are monitoring the transmission of Intrastat declarations by companies. Eurostat has helped the statistical services of the Member States adjust their computer infrastructures to these new tasks. In addition, new technological instruments (for example, optical readers to read the paper forms, disks readers to read disks, etc.) have been installed to process the incoming Intrastat declarations.

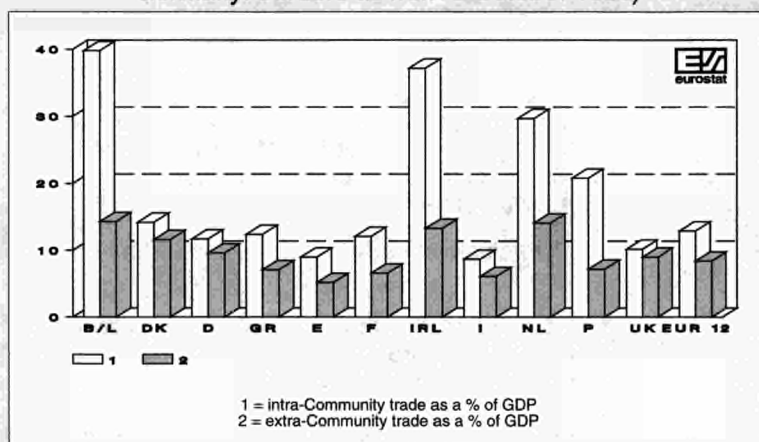
The statistical services are also implementing validation and control procedures to check the data. After the data has been checked and processed, it will be sent to Eurostat who will further process and distribute it at Community level.

It is expected that at the start of the system delays and problems inherent to the set-up of any new system will result in data being less up to date. However, once the system is up and running the quality of the statistics should again attain an acceptable level.

This article has been prepared by Unit C2 of Eurostat.

EC Trade

External trade in goods as a percentage of GDP, 1992
(calculated over the first nine months;
Germany: borders as from 3 October 1990)



Volume of trade

In GDP terms, intra-Community trade in goods accounts for 12.9% of the Community economy and extra-Community trade for 8.4%.

The countries with the highest volumes of intra-Community trade are the BLEU (Belgium-Luxembourg Economic Union), with a share of 39.8%, followed by Ireland (37.2%) and the Netherlands (29.7%).

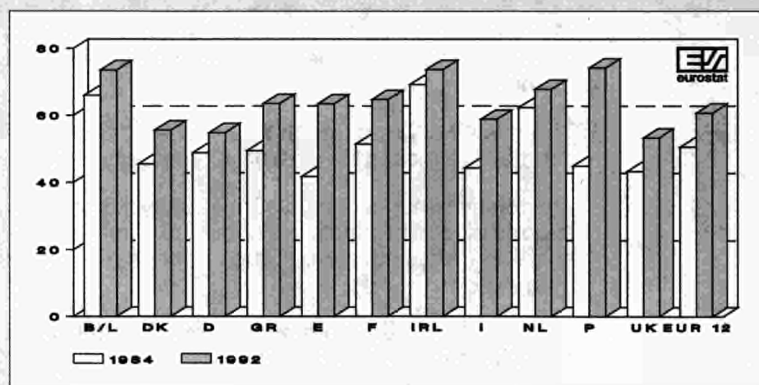
Spain and Italy have the lowest volumes, intra-Community trade accounting for 9.0% and 8.7% respectively of their GDP.

Although intra-Community trade accounts for a greater proportion of GDP than extra-Community trade in all Member States, the difference is slight in the case of the United Kingdom and Germany.

External trade in goods as a % of GDP, 1992
(calculated over the first nine months; Germany: borders as from 3 October 1990)

Trade	B/L	DK	D	GR	E	F	IRL	I	NL	P	UK	EUR 12
Intra-Community	39.8	14.2	11.7	12.4	9.0	12.1	37.2	8.7	29.7	20.8	10.2	12.9
Extra-Community	14.3	11.6	9.6	7.1	5.2	6.6	13.3	6.1	14.1	7.2	9.0	8.4

Intra-Community trade in goods, as a percentage of Member States' total trade, 1984 and 1992
(1992: calculated over the first nine months;
Germany: borders as from 3 October 1990)



The level of intra-Community trade

The gradual removal of borders in the run-up to the 1992 Single Market gave a boost to intra-Community trade, which rose from 50% of total Community trade in 1980 to 60% 12 years later.

Portugal has the highest volume of intra-Community trade, 74.2% of its external trade being within the Community.

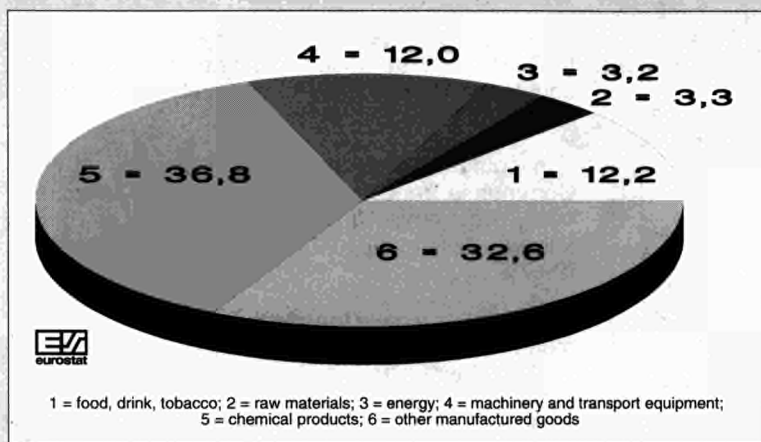
Spain's intra-Community trade has leapt from 43.5% of its total trade to 62.5%.

The intra-Community trade of the United Kingdom and Denmark now accounts for more than half these countries' total trade.

Intra-Community trade in goods as a % of total trade, 1984 and 1992
(1992: calculated over the first nine months; Germany: borders as from 3 October 1990)

	B/L	DK	D	GR	E	F	IRL	I	NL	P	UK	EUR 12
1984	50.0	45.5	48.8	49.4	41.7	51.4	69.2	44.2	62.3	44.9	43.3	50.6
1992	66.0	55.0	54.8	63.5	63.4	64.7	73.7	58.8	67.8	74.2	53.3	60.7

Structure of intra-Community trade in goods by sector of products, in percentage, for 1992 (calculated over the first nine months; Germany: borders as from 3 October 1990)



Intra-Community trade by products

Member States principally trade manufactured goods between themselves: chemical products, machinery, transport equipment and other manufactured goods accounted for 81% of their trade in 1992 (36.8% of this was for the machinery and transport equipment sector).

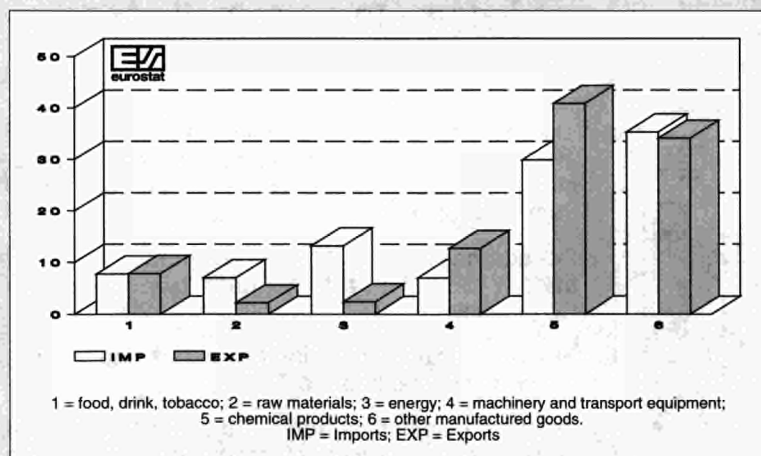
The volume of trade in raw materials is, by contrast, very low.

Intra-Community flows of food products accounted for 12.2% of trade, compared with under 8% for extra-Community flows in this sector.

Structure of intra-Community trade in goods by class of products, in percentage, 1992 (calculated over the first nine months)

	Food, drink, tobacco	Raw materials	Energy	Chemical products	Transport equipment	Other manufactured goods
	12.2	3.3	3.2	12.0	36.8	32.6

Structure of extra-Community imports and exports of goods by class of products, in percentage, 1992 (calculated over the first nine months; Germany: borders as from 3 October 1990)



Community trade with the rest of the world

Manufactured goods dominate the Community's trade with the rest of the world for both imports and exports.

The machinery and transport equipment sector accounts for almost 41% of extra-Community exports.

The relative shares of extra-Community imports and exports of food products are about the same at 7.7% and 7.8% respectively, although imports are higher than exports.

On the whole, the Community shows a deficit on extra-Community flows of goods.

Structure of extra-Community trade in goods by class of products, in ECU 000 million, 1992 (calculated over the first nine months)

	Food, drink, tobacco	Raw materials	Energy	Chemical products	Transport equipment	Other manufactured goods	Total
Imports	27.9	25.3	47.8	25.2	108.7	128.4	363.4
Exports	24.7	7.0	7.6	40.4	130.0	108.3	318.0

restricts sales to pasta made from hard wheat. The Italian authorities have asked their officials to abide by the European principle of freedom of movement of goods, pending an amendment to the law in question. Italy has thus implemented two rulings of the European Court of Justice. The European Commission was able, as a result, to announce on 8 January an end to the legal proceedings launched against Rome. The Commission also announced on the same day that it had closed the books on similar proceedings against Germany. Bonn had been asking importers of medicines, other than their official distributors, for conformity certificates in the case of medicines imported from other EC countries but whose sale was already authorized in Germany. The German authorities did not wait to amend the contested legislation before notifying their officials. This solution, which the Commission advocates, is being used increasingly to ensure the free movement of goods within the single market.

● European consumer agency

28 of January saw the inauguration of a European agency for consumer information in Aix-la-Chapelle (Germany). Run by a regional consumer organization and linked to offices located in Eupen and St Vith (Belgium) and, shortly, in Maastricht (Netherlands), the agency keeps the inhabitants of a vast border area informed about the new opportunities offered to them by the single market. It also provides consumers with information and advice on their rights in the event of disputes in the neighbouring country. Similar agencies are already operating in Barcelona (Spain); Gronau, at the German-Dutch border; Lille (France) and Luxembourg. An agency is envisaged for northern Portugal and four others will open their doors during the course of the coming month in other areas close to the EC's internal borders.

● Karolus: an exchange programme

Some 1 900 national officials who are engaged, in their respective countries, in the implementation of European single market legislation will be able to work for two months at least in another European Community country. This exchange programme, adopted by the Twelve last September, and since baptized Karolus, was launched by the European Commission on 8 February. The Commission has prepared a 'Guide for applicants' for interested civil servants. The areas of activity which are being given priority this year include: foodstuffs and pharmaceutical products; public procurement; export controls on certain dual-use products and technologies; conformity testing; plant health; road transport; banks; insurance companies and stock exchanges. Karolus is designed both to ensure greater coherence in the implementation of 'European laws' in the various EC countries and to facilitate contacts between officials of the Twelve. The programme will run until 1997.

● A committee and contact points

The committee entrusted with the task of dealing with the practical problems arising from the single market decided at its first meeting on 2 February to examine in February and March the implementation of EC legislation in six sectors: technical harmonization for industrial products, foodstuffs, pharmaceutical products, hazardous chemical substances, public procurement and diplomas. This consultative coordinating committee for the single market was set up by the European Commission and brings together national officials. It also adopted a Commission suggestion to set up a network of contact points within the 12 countries, in order to have a better idea of the problems created by the operation of the single market and to see that they are solved by the local authorities.

○ BRIEFLY

The single market in general, and the **'Television without frontiers' directive ('European law') in particular, do not imply the free movement of pornographic programmes.** To clarify the situation the European Commissioner for the audiovisual industry, João de Deus Pinheiro, pointed out on 19 January that the sole exception to the principle of freedom of movement in this connection has to do with the protection of minors from pornography and violence. Each Member State has the right to ban the broadcasting of programmes of a pornographic or violent nature within its territory.

Under the acronym Ehlass, the European Commission proposed to the Twelve on 26 January a **European home and leisure accident surveillance system.** Based on an experimental system of the same name, which has been in operation since 1986, Ehlass would collect information from hospitals or through surveys, with the aim of improving safety standards for consumer products and leisure-time goods.

The French Transport Minister, Jean-Louis Bianco, proposed in Brussels on 4 February a **European public services charter.** The proposal, made during a colloquium entitled 'Towards a European public service', was backed by the German, Belgian, Italian and Spanish ministers who were present. It has been approved by the President of the European Commission, Jacques Delors.

'EC policy for SMEs' is the title of a 380-page study which describes European Community guidelines and actions aimed at helping small and medium-sized enterprises (SMEs) adjust to the single market. The study, published in early February, is available in English and French from the Club of Brussels. It is priced at ECU 248. Club de Bruxelles, 10 rue du Collège St Michel, B-1150 Brussels, Belgium. Tel.: 32-2 771 98 90. Fax: 32-2 770 66 71.

SEEN FROM ABROAD

▶ Finland divided over membership

Finland's Foreign Trade Minister, Pertti Salolainen, came out in favour of a strong European currency in Helsinki on 18 January. He wanted a currency that would not allow speculators 'to speculate every other week against weak national currencies'. Finland is seeking membership of the European Community. Negotiations opened officially on 1 February, as did membership negotiations with Austria and Sweden. Finnish farmers, for their part, want permanent derogations from the common agricultural policy. The president of their confederation 'MTK', Heikki Haavisto, made an announcement to this effect on 21 January. As for the determined opponents of membership, they are organizing themselves as well. Thus, on 1 February, some 400 people demonstrated in Helsinki against EC membership for Finland, while the Vapaa Suomi (Free Finland) organization collected some 145 000 signatures against membership.

▷ BRIEFLY

The **Icelandic Parliament** ratified on 12 January the Agreement on the European Economic Area (EEA), concluded between the European Community and the EFTA countries (Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland). All the EFTA countries have now ratified the Agreement, with the exception of Switzerland: the Swiss rejected the EEA in a referendum held last December.

Slovenia's Minister for Foreign Affairs, Mitja Gaspari, voiced on 31 January his country's desire to join very shortly the European Free Trade Association, which brings together seven West European countries, most of whom are seeking EC membership. Mr Gaspari sees his country joining the EC towards the end of the century.

The Maltese Prime Minister, Eddie Fenech Adami, expressed the hope that his country will take part in the next enlargement of the European Community. He made a declaration to this effect in Lisbon on 22 January, pointing out that he fully approves the Treaty of Maastricht on European Union.

◆ **Europartenariat: from Bari to Lille ...**

Some 420 small and medium-sized enterprises (SMEs) based in the north and north-east of France — Nord-Pas-de-Calais, Picardy, Champagne-Ardenne and Lorraine — will welcome to Lille, on 17 and 18 June, firms from all over the European Community and the Mediterranean basin, the EFTA countries and Central and Eastern Europe. The two-day meeting is expected to bring together nearly 2 000 participants.

This Europartenariat, the eighth to be organized at the European Commission's initiative, will be the first of the 'post-1992' era. In the age of the single market, by entering into balanced and mutually profitable partnerships with each other, SMEs can be present and active throughout the new border-free Europe.

Faithful to its goal of regional development through cooperation between firms, Europartenariat France nord-est marks a fresh departure as regards the choice of the host regions. While the seven earlier events focused on regions suffering from structural handicaps in development, the eighth is aimed at SMEs from regions which have had to meet the challenge of industrial redeployment, and which today are looking to diversify into market sectors and outlets.

The SMEs which will be coming to Lille for the Europartenariat are mostly small ones (nearly 68% of them employ fewer than 50 people). They are active in traditional sectors of industry: 19% are in mechanical and precision engineering; 18% in machine tools and industrial equipment; 12% in woodworking and furniture manufacturing and 10% in the agro-food industry.

Information on each of the firms selected is contained in a catalogue, together with details of its cooperation project. The catalogue will be available in early March in the following languages: English, French, German, Italian and Spanish. A network of consultants has been set up to provide information, advice and copies of the catalogue. The names of UK and Irish consultants are given below.

England: Mr Robin Bussel, Association of British Chambers of Commerce, 4 Westwood Business Park, Coventry CV4 8HS, Tel.: 44/444/203.69.44.84, Fax: 44/444/203.69.46.90;

Scotland: Mrs Agnes Barclay, Scottish Innovation Centre, Unit A1, Building 1, Templeton Business Centre, 62 Templeton Street, Glasgow G40 1DA, Tel.: 44/41/554.59.95, Fax: 44/41/556.63.20;

Northern Ireland: Mr Gerry McConnell/Mr Mike Parr, Industrial Development Board for Northern Ireland, IDB House, 64 Chichester Street, Belfast BT1 4JX, Tel.: 44/232/23.32.33, Fax: 44/232423.13.28 and 23.06.53, Telex: 747025;

Wales: Dr Elizabeth Haywood, Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff CF1 3XX, Tel.: 44/222/22.26.66, Fax: 44/222/34.56.15, Tlx: 497513;

Ireland (Eire): Mr Liam Kelleher, An Bord Trachtala (Irish Trade Board), Merrion Hall, Strand Road, Sandymount, Dublin 4, Tel.: 353/1/269.50.11, Fax: 353/1/269.58.20, Telex: 93678 CTT EI. Europartenariat consultants from the 38 countries taking part held a meeting on 29 January to find out more about the two-day meeting in Lille and the firms which have been selected.

◆ **MED-Invest: encouraging SMEs around the Mediterranean**

Encouraging SMEs and professional bodies in the non-EC Mediterranean countries — Algeria, Cyprus, Egypt, Israel and the Occu-

pied Territories, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia and Turkey — to draw closer together is the goal of MED-Invest. This new programme, which has a budget of ECU 10 million for two years, will help promote an environment favourable to the development of SMEs and increase their ability to compete. As from the beginning of this year, pilot projects are to be launched in various fields: expanding the network set up to help SMEs find entrepreneurs in the Community and the Mediterranean countries; training; advice; investment finance; access to new technologies; modernization; human resource development, etc. Each action will be implemented by a network of operators, including companies or professional bodies from the EC and the Mediterranean countries. As a result, the instruments and networks which have already proved their worth when it comes to multiplying contacts within the Community, will be extended to countries bordering the Mediterranean: Europartenariat through MED-Partenariat, Interprise with MED-Interprise, BC-Net (business cooperation network) and BCC (business cooperation centre).

◆ **Subcontracting: a pilot programme in consumer electronics**

The European Commission is to launch a pilot programme for 1993 and 1994, aimed at promoting the competitiveness of suppliers of components to the consumer electronics industry in the European Community. The new programme will be within the framework of Community measures for overcoming the difficulties currently facing the electronics industry. Carried out at the initiative of industrialists, the project will benefit from the backing of manufacturers affiliated to the bodies representing European and Japanese companies in Europe. This collaboration project also enjoys the support of the Japanese Government, and constitutes an important step forward in relations between the Community and Japan in the field of industrial cooperation.

In 1992 a more limited project was carried out very successfully with the support of the European Commission and the Japanese Ministry of International Trade and Industry (MITI). Its aim was to find out just how to increase the competitiveness of subcontractors in the area of plastic moulding in Europe, for the benefit of firms in consumer electronics. In the context of this project European manufacturers of plastic components were able to study, during a visit to Japan, the working practices of their Japanese counterparts. Japanese experts subsequently came to Europe to advise European participants. The success of the first project has prompted the European Commission to allocate ECU 3 million for a two-year pilot programme (1993-94) designed to evaluate the feasibility of this type of industrial cooperation in the field of consumer electronics.

The fact is that through this type of action it is possible to attain several Community policy goals: to facilitate cooperation between manufacturers and component subcontractors as well as between companies of differing sizes and to promote industrial cooperation between the Community and Japan. The Community programme for improving the competitiveness of European subcontractors in the consumer electronics sector will be launched during a conference at the Centre Borschette in Brussels, to be held on 25 and 26 March of this year. The conference will make it possible to inform the relevant professional bodies in each Member State and to encourage component suppliers to seek the Community's help in the framework of the pilot programme.

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