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frontier-free EUROPE

Linking Europe through transport infrastructure

by Neil Kinnock, Member of the European Commission

Nothing symbolises or serves the integration of Europe better than the physical linking of transport systems. Of course, bridging gaps in financing infrastructure is a prerequisite of progress in this area.

2000-06: a crucial time

The conventional source of infrastructure investment — the public sector — cannot bridge the gaps, partly because of budgetary constraints that will persist, partly because of the huge investment that is needed, and partly because of the limited time in which much of it must be secured if east and west Europe are to gain the transport infrastructure a modern economy requires. Apart from the need to ensure that private investment will bring income, a basic precondition for private sector involvement is a clear and stable framework in which to operate, both in legal terms and in terms of policy priorities. It is in the establishment of that framework that the European Union can make its biggest contribution.

The Pan-European Transport Conference last June supported the idea of developing a pan-European transport network partnership. This approach does not involve binding contracts, financing plans or institutional innovations. It has been established to give recognition to the fact that the countries concerned, the European Union, the European Investment Bank, the other international financial institutions and the private sector investors are all in this together and must increasingly develop flexible but effective cooperation in order to deal with the massive challenges ahead.

For the Europe of Fifteen, the next financial period — 2000-06 — will be a crucial time in the completion of the trans-European networks (TENs) since most of the priority projects agreed at the 1994 Essen Summit will be in their full construction phase. The Commission proposal to revise the TENs financial regulation envisages spending of around ECU 5 billion during the period 2000 to 2006 to help support Member States' efforts to build the missing links. This will represent only about 7 % of expected spending on the 14 priority projects alone in this period. It can, however, play a vital role in ensuring that those and other projects in which much of the benefit accrues outside the countries where the investment takes place are given adequate priority.

Public-private partnerships

The efforts that have been made to gain fiscal consolidation in the run-up to economic and monetary union (EMU) should mean that some increase in public investment should be consistent with maintaining fiscal discipline. Meanwhile, complementary financing from the private sector will continue to grow in importance and the concept of public-private partnerships will truly come into its own.

These partnerships are a means and not an end. My objective is to implement the trans-European transport networks, and their extensions in central and eastern Europe, as quickly as possible in order to ensure that we have a European transport system that can properly serve the European single market in a sustainable way. The most important word in the term public-private partnership is the last: partnership. The private sector has great assets to bring to large transport projects, both in financial terms and in terms of project design and implementation and the public sector has a vital role to play in ensuring that the wider economic benefits of particular projects are achieved, and in ensuring network integrity.

In transport, as in many other sectors, the product of the whole is greater than the sum of the parts. That, in essence, is the case for closing the gaps in infrastructure and, therefore, in finance. Knowing that, I stress that the countries and businesses of the Union have every possible practical interest in providing support for the efforts to develop networks in place of today's patchworks; and the length and complexity of the process merely underline the urgency of getting on with the job.

MAY 1998 • The text of this issue was completed on 21 April 1998.

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An information society for all

By the year 2002, small and medium-sized enterprises (SMEs) will be able to derive greater benefits from information and communication technologies, thanks to a European programme which the European Union Council of Ministers formally adopted on 30 March. The programme, which has a budget of ECU 25 million (ECU 1 = GBP 0.64 or IEP 0.79), has three objectives, corresponding to three kinds of activities. The most important of these, with 57 % of the total budget, are the sharing of experiences among EU countries and the identification of obstacles which prevent SMEs, as well as disadvantaged regions and social groups, from taking advantage of the new technologies. A second series of activities is aimed at increasing public awareness, including measures for involving information technology and telecommunications SMEs as far as possible in the changes now taking place. The third series of activities has to do with Europe's role in the global information society, and includes exchanges with the rest of the world.

'European' number plates win recognition

Motorists who have a 'European' number plate affixed to the rear of their cars will soon be able to move freely throughout the European Union without having to add a white oval showing the abbreviation for the country of registration (GB, IRL, etc.) in black letters. The 'European' number plate has a vertical blue rectangle containing the country abbreviation and a circle of 12 yellow stars, representing the EU flag. The EU Council adopted on 17 March a draft common position, pending the European Parliament's agreement, on a regulation providing for the mutual recognition of such number plates. This European model was drawn up at the end of the 1980s by European Commission and government experts. If an EU regulation is needed to secure recognition for this model throughout the EU, it is because some governments apply the 1968 Vienna convention on road traffic, which requires the white oval.

Cooperation on law enforcement

Three EU Council decisions of 19 March should contribute to strengthening public security throughout the Union. They relate to the adoption of two cooperation programmes and the agreement on a common definition of organised crime. This last will facilitate police cooperation and the extradition between Member States of persons suspected of belonging to a criminal organisation. As a result, the fight against terrorism, trafficking and mafias of all kinds should become more effective. Serious economic crimes, such as money laundering, are also covered by the definition. Meanwhile, the Falcone programme, which bears the name of a famous Italian judge who combated the mafia, will ensure improvements, in an EU context, to the training of those responsible for the fight against organised crime, such as judges and police and customs officers. The programme has a budget of ECU 10 million. The Odysseus programme, which was also adopted on 19 March, will facilitate cooperation between the civil servants of Member States, particularly in the field of asylum and immigration. It has a budget of ECU 12 million. The two programmes, which cover the period 1998 to 2002, provide for exchanges of specialists between EU Member States.

ENLARGEMENT NEGOTIATIONS

Following the first meeting of the European conference, held in London on March 12, the process of negotiating EU membership for the 11 countries that have applied to join was launched in Brussels on 30 March. The following day the first intergovernmental conferences, marking the start of the negotiations, were held with the Czech Republic, Estonia, Hungary, Cyprus, Poland and Slovenia. The other countries taking part in the current enlargement process are Bulgaria, Latvia, Lithuania, Romania and Slovakia.

IN BRIEF

The next **elections to the European Parliament** will take place from 10 to 13 June 1999 in all EU countries, the EU Council announced on 1 April.

Tobacco products bought by a private individual for his or her own use in another EU country, **through an agent**, are subject to excise duty in the country of destination. A ruling to this effect was handed down by the European Court of Justice on 2 April, in a case involving a Luxembourg retailer who was selling his products to UK residents through an agent based in the United Kingdom. Excise duties on tobacco are much lower in Luxembourg than in the UK.

Exchanges of national civil servants responsible for implementing EU internal market rules, which took place between 1993 and 1997 within the framework of the Karolus programme, will continue until the end of 1999. Following approval by the European Parliament, the EU Council decided on 23 March to extend the programme, which has been allocated an additional ECU 4.5 million. The initial budget was ECU 7.7 million.

As from 7 April 2001 the Fifteen will have to draw up and apply **standards for the protection of workers from exposure to hazardous chemical agents**, according to the principles set out in the directive the EU Council adopted on 7 April. The text provides for limit values for air at the workplace; it requires employers to take the necessary measures in the event of limit values being exceeded. The directive also contains provisions for the assessment of risks and their prevention, and arrangements for dealing with accidents and keeping workers informed.

The provisions of the international convention on **safety at sea** will apply to passenger ships, hydroplanes and hovercraft carrying passengers between two or several points within the same EU Member State. The EU Council adopted a directive along these lines on 17 March. So far this form of transport has been subject only to national regulations. This has led to disparities between safety standards and distortions within the European market.

Following the decision of the Greek Government to join the European Monetary System's **exchange rate mechanism**, the EU's Finance Ministers and central bank governors fixed the Greek currency's central rate at GRD 357 to ECU 1. At the same time they agreed to Ireland's demand to revalue the punt; as a result, its central rate against the other ERM currencies has been revalued by 3 %. Participation in the ERM is one of the conditions for taking part in the euro.

HOW DOES THE EUROPEAN UNION RELATE TO THE WORLD?

The EU plays a wide-ranging and significant role on the world stage, particularly in terms of economic relations, on which it negotiates and concludes international agreements. External trade is covered by a common commercial policy, which has replaced the individual policies formerly pursued by the Member States. The EU also has special responsibility for economic assistance, development cooperation and humanitarian aid, conducting a policy designed to complement and coordinate those of the Member States. However, in traditional areas of foreign policy-making, such as defence and security, the EU itself has less say, these areas remaining either national or intergovernmental. Yet, it is clear that since the end of the cold war the EU has a potentially more complex and significant political role to play on the world scene. This has been apparent in a number of recent challenges, including the conflict in the former Yugoslavia and the Gulf War.

The EU needs to strengthen its identity on the international scene and respond quickly and effectively to such events, something the common foreign and security policy (CFSP), agreed upon at Maastricht, has only partially addressed. Just how this can be improved will be central to Europe's continued integration.

I — The common commercial policy

What are the benefits of a common commercial policy?

The founding fathers of the Treaty of Rome decided to establish a common commercial policy, since this was the logical counterpart to the creation of a customs union between the Member States, the key component of which was the establishment of a common customs tariff *vis-à-vis* third countries. Based on uniform principles, the common commercial policy provides for negotiation of changes in tariff rates, conclusion of tariff and trade agreements, an active strategy on opening up markets to third countries, a policy on exports and export credits, and measures to protect trade such as those to be taken in the event of dumping and subsidies, etc. Over the years, the common commercial policy has become one of the keystones of the EU's policies owing to the fact that the EU, as the world's largest trader, accounting for almost one fifth of world trade, is conducting a coherent single policy towards the outside world.

Acting under the Treaty of Rome, the European Commission conducts trade negotiations on behalf of the EU. This has clearly proved to be of benefit: the solidarity of 15 Member States considerably strengthens the Union's negotiating hand and enables it to deal as an equal partner with the other major trading powers in the world. This added political weight, which was a key factor in ensuring the success of the multilateral Uruguay Round negotiations, also plays a large part in the conclusion of different kinds of bilateral or regional agreements with third countries.

It should be noted that, in strictly legal terms, the common commercial policy does not cover the entire field of external trade. Trade in services, goods covered by intellectual property rights and direct foreign investment all play an increasingly important role internationally, in particular where the EU is concerned. The importance of services has grown steadily over the last decades. In 1994, services contributed nearly 66 % of the EU's gross domestic product (GDP) and provided employment for 64 % of the EU workforce. The equivalent figures for the industrial sector were 30 % and 29 % respectively. Over one quarter of all EU export income

Trade has played a major role in Europe's history, and commerce with the rest of the world is still the main source of our wealth today. Even leaving trade between its Member States out of the equation, the European Union is the largest trading entity in the world (see graph). Trade is what drives growth and creates jobs in manufacturing, transport, research, banking, insurance and many other sectors. The creation of the single market has freed internal trade of most obstacles. The EU plays a leading role in negotiations within the GATT (General Agreement on Tariffs and Trade) and its recently created successor, the World Trade Organisation.

Share of world trade, 1996

is derived from the activities of the service industry. Furthermore, an ever-increasing percentage of world trade involves intellectual property, related to pharmaceuticals, computer software, the music industry, etc., which needs to be protected worldwide against counterfeiting and copying. Because of the increasing importance of these sectors, they were included in the Uruguay Round negotiations, where international rules on trade in services and trade-related investment measures were established for the first time. The future effectiveness of the common commercial policy will thus increasingly depend on whether Community law can keep pace with the realities of world trade (¹).

Why does the EU attach such importance to international trade? What benefits does it bring?

The EU is the world's largest trading entity. Most of its economic success is due to foreign trade and investment. The EU accounts for 19 % of world trade in goods (as compared with 18 % for the United States and 10 % for Japan). Millions of jobs depend on its exports. These exports, which go to the whole world, provide almost 10 % of the Union's wealth, as represented by its GDP. The EU is also an attractive market for imports, which represent about 9 % of its GDP. With its 373 million inhabitants, the EU has created the world's largest market. Exporters from outside the EU are also benefiting from the completion of the single market with its uniform (or mutually recognised) set of norms, standards and procedures. Like local EU firms, they benefit from the European harmonisation of manufacturing standards and can now market their goods anywhere in the EU. They no longer have to face 15 different national requirements. Once imported products have entered the Community, they can move as freely as local goods within the EU frontiers; such movement is further facilitated by the fact that Community standards have been laid down for industrial and agricultural products.

Foreign direct investment is also an important feature of the global economy and an area in which the EU has a strong interest. Foreign direct investment by Europe in third countries accounts for over one quarter of such investment worldwide. Foreign direct investment in Europe amounts to over ECU 1 000 billion and supports millions of jobs in the Union. Trade and direct investment are closely interlinked, through their mutual reinforcement. It is therefore important to ensure a favourable environment for foreign direct investment worldwide at the same time as trade is being increasingly liberalised.

As briefly demonstrated, the EU's economic welfare depends on a liberal, multilateral world economic order. Progressive opening of its own market, parallel to obtaining improved access to third countries, is the chief aim of the EU. For this reason, the EU played a prominent role in the multilateral Uruguay Round trade negotiations, which led to the conclusion of 28 multilateral agreements or arrangements, including the agreement setting up the World Trade Organisation (WTO).

Thanks to these agreements, substantial progress is being made in the liberalisation of world trade. There is still a need, however, to remove the obstacles which continue to block access to markets in third countries and prevent European business from competing on an equal footing. The Commission has listed these obstacles in its market access database on the Internet (http://mkaccdb.eu.int). The EU is implementing a market access strategy to remove such obstacles and will continue to work for this within the WTO, in particular by drawing up rules to cover new areas such as trade and environment, trade and investment, and trade and competition.

How can the EU protect its industries against unfair trade?

The common commercial policy, which has been in existence for almost 40 years, has given the EU one of the most liberal trade regimes in the world. Its import tariffs are among the lowest and it has abandoned all quantitative restrictions (or will soon let them expire, for example in the textile sector). Consequently, the EU has a very high import penetration (import share or value per capita).

However, thanks to the WTO rules, the EU can legitimately defend its industries against unfair competition from third countries. This trade defence policy mainly counteracts dumping and subsidising practices by which countries or foreign companies sell their goods at artificially cheap prices for export and threaten to wipe out EU industries without necessarily being more competitive or more efficient. But the EU uses its trade defence instruments in a very liberal way; it only imposes measures at the minimum level necessary to offset the injury suffered and it takes no measures at all if the imports concerned are in the Community's overall interest. In both respects, the EU is much less protective than its major trading partners, such as the United States. In fact, protective measures are applied to less than 0.7 % of the overall trade volume of the EU.

In addition, the EU has created the legal means to force other countries to open their markets. The so-called trade barriers regulation can be used to investigate restrictive or discriminatory practices applied against Community firms in third countries and thus improve the access of European traders to the markets concerned.

How is the EU helping developing countries in terms of trade?

The EU actively helps developing countries and at the core of its trading relationships is the Lomé Convention, to which 71 countries in Africa, the Caribbean and the Pacific (ACP) are signatories. Through the convention the EU gives practically all industrial and agricultural goods from these countries duty-free access to the single market, without EU products having to be given the same treatment in return.

The EU has also granted preferential market access to many other countries, such as its neighbours in the Mediterranean and in central and eastern Europe, whilst a number of countries in Asia and Latin America also receive preferential treatment for most manufactured goods and qualify for reduced rates of duty on certain agricultural products. However, trading relations with these countries tend to be less structured and on the whole more geared towards supporting regional economic integration, as is true of agreements signed with bodies such as ASEAN (Association of South-East Asian Nations) and the Andean Pact (Bolivia, Colombia, Ecuador, Peru and Venezuela), to cite but two examples.

(The second part of this article will appear in a subsequent issue.)

(¹) For more information on the common commercial policy, please contact the Commission at its Internet address: http://www.cc.cec:8080/en/comm/dg01/dg1.htm

KEY FIGURES

Data Shop Eurostat Luxembourg
tel. (352) 43 35 22-51 — fax (352) 43 35 22-221

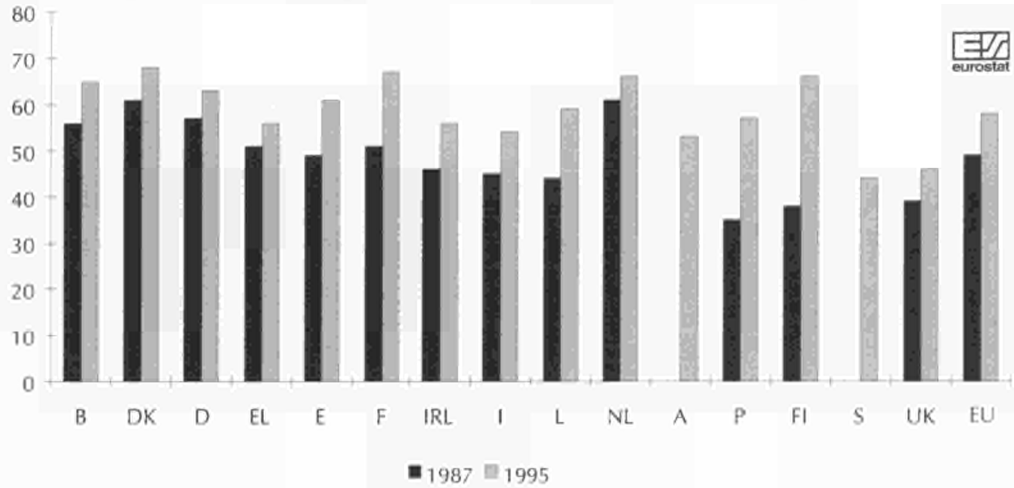
Education in the European Union

Women now in the majority in higher education

In 1994/95, students in higher education accounted for 14% of all pupils and students. Their number has almost doubled over the past 20 years

In 1995, 58% of young people aged between 15 and 24 were still in education or training (compared with 49% in 1987). The biggest increases in student numbers were in Portugal and Finland.

Percentage of students aged 15-24 in education or training



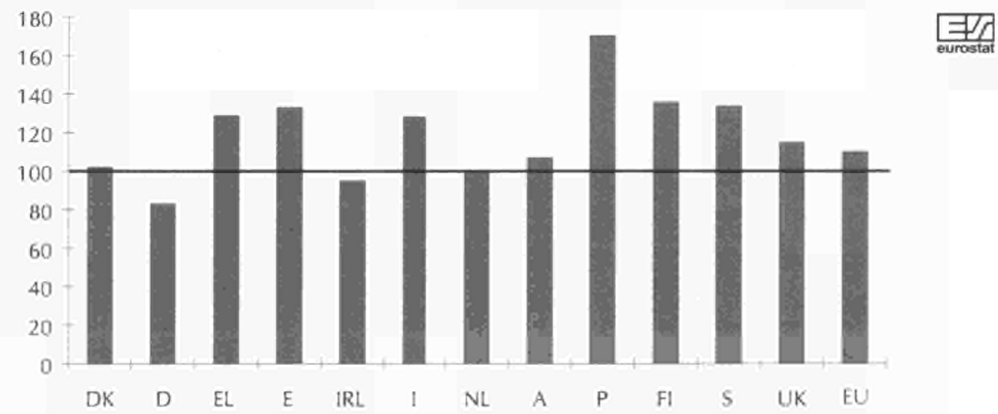
Percentage of students aged 15-24 in education or training

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU
1987	56	61	57	51	49	51	46	45	44	61	-	35	38	-	39	49
1995	65	68	63	56	61	67	56	54	59	66	53	57	66	44	46	58

Twenty years ago, women were in the minority in higher education in all EU Member States. Now, however, the average is 103 women for every 100 men

In the European Union, more women than men have higher education qualifications (110 women for every 100 men). There is a higher proportion of female than male graduates in all Member States apart from Germany (83) and Ireland (96). Portugal is in first position with 170.

Number of female higher education graduates for every 100 men, 1995



Higher education graduates, by sex (in thousands), 1995

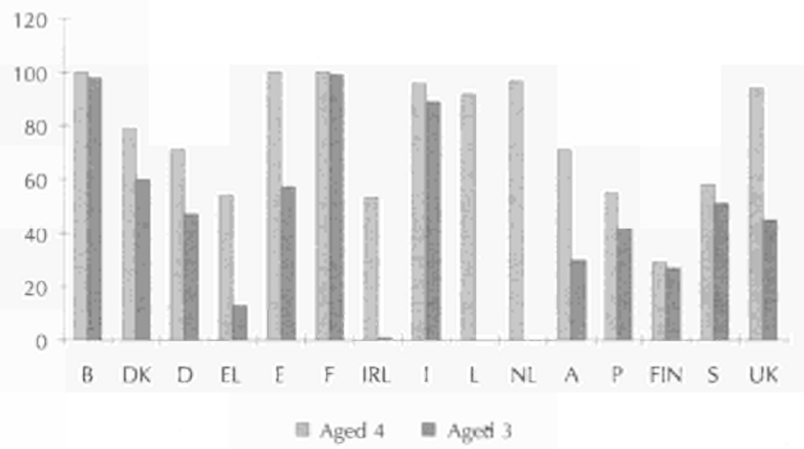
	DK	D	EL	E	IRL	I	NL	A	P	FIN	S	UK	EU*
Female	15.3	153.2	17.5	101.3	12.4	102.7	40.6	9.6	22.9	16.1	19.9	251.7	763.7
Male	14.9	185.0	13.6	76.4	13.0	80.2	40.7	9.0	13.4	11.8	14.8	218.2	691.7

* Countries for which data are available.

More and more children are attending primary school or a similar establishment from the age of four, but there is no direct link with the percentage of working mothers

All children in Belgium, Spain and France are at school at the age of four. However, the rate remains low in Finland (29%), Ireland (53%), Greece (54%) and Portugal (55%). Furthermore, an increasing number of children are at school at the age of three, particularly in Belgium and France.

Pre-primary school attendance, 1994/95 (in %)



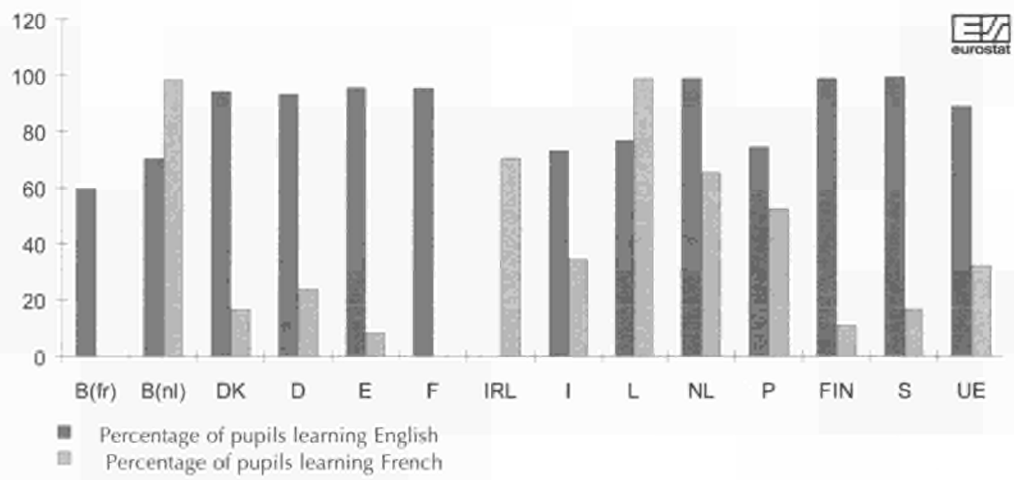
Preprimary school attendance, 1994/95 (in %)

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK
Aged 4	100	79	71	54	100	100	53	96	92	97	71	55	29	58	94
Aged 3	98	60	47	13	57	99	1	89	-	0	30	42	27	51	45

In most European countries, foreign language learning begins at primary school. Language learning tends to become compulsory from the third year of primary school. English is by far the most commonly taught language

Subsequently, during secondary schooling, the average number of foreign languages learned increases, ranging from one language in Spain to 2.9 in Luxembourg. At secondary school, English is again the dominant language taught with 89% on average of non-native English speakers learning English at secondary level.

Learning of English and French, 1994/95



Foreign language learning in general secondary education, 1994/95

	B(fr)	B(nl)	DK	D	E	F	IRL	I	L	NL	P	FIN	S	EU
1	1.4	1.9	1.9	1.2	1.0	1.6	1.0	1.1	2.9	2.4	1.3	2.4	1.7	1.3
2	59.6	70.0	94.1	93.2	95.4	95.3	-	73.0	76.7	98.9	74.4	99.0	99.5	89.0
3	-	98.2	16.4	23.7	8.3	-	70.2	34.3	98.9	65.3	52.3	11.1	16.6	32.0

1: Average number of foreign languages learned by each pupil in general secondary education.
2: Percentage of pupils learning English.
3: Percentage of pupils learning French.

CORRECTION: Dossier of the month No 3/98: Tables 2 and 3, 1990/96 %:
Increases in national currency and not in million ECU

The EU regulation on the **control of mergers** also covers **groups which are market leaders**, according to the European Court of Justice. In a ruling handed down on 31 March, in a case involving the merger of the German companies Kali und Salz and Mitteldeutsche Kali, and the east German privatisation agency, the Court held that the European Commission had not proved that an oligopoly existed. It therefore annulled the Commission's decision authorising the merger only on certain conditions.

Statistics on the carriage of goods by road will have to take into account the creation of the European single market to a greater extent. The EU Council approved a draft regulation on 17 March which provides for statistics on the degree of utilisation of vehicles and road cabotage. Under the new system, intra-Community transport will be handled in the same way as national transport.

The list of **agricultural and food products protected** throughout the EU from imitations was increased by seven German and Italian products on 23 March, bringing the total number of protected items to 457. The products added by the European Commission include meat, olive oil and beer.

The directive guaranteeing **part-time workers** the same treatment as full-time workers will apply to the UK at the same time as to the other EU countries, that is as from the end of 1999. On 7 April the EU Council adopted a text along these lines, which gives concrete expression, in this particular area, to the UK's adhesion to the Maastricht Treaty's social protocol.

The **Finnish system of taxation of imported electricity** is discriminatory, and therefore contrary to EU rules, according to a ruling handed down by the European Court of Justice on 2 April. The tax on electricity produced in Finland depends on whether or not it is produced by ecological methods. But electricity imported from other EU countries is taxed at the same rate, whatever the method of production.

INITIATIVES

● Eleven chosen for the euro

The European Commission recommended to the European Council on 25 March that 11 EU countries take part in the euro as from 1 January 1999. The 11 countries are Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland. Of the other Member States, the UK and Denmark have a derogation, while Greece and Sweden do not meet the criteria laid down in the Maastricht Treaty for transition to the single currency. The EU Heads of State or Government should draw up on 2 May the definitive list of the countries that will take part in the euro next year. The Commission has backed up its proposal with a convergence report, which analyses the economic and legal position of Member States in relation to economic and monetary union.

● The euro: avoiding conversion charges ...

In order to facilitate the transition to the euro for consumers and small and medium-sized enterprises (SMEs), the European Commission adopted on 15 April three recommendations dealing with conversion charges, the dual display of prices and information and follow-up measures. To begin with, the Commission notes that European regulations require that banks do not charge more for services denominated in euro than for identical services in a national currency. Nor should they charge for converting sums in euro which are paid into an account held in a national currency — and vice versa — or when converting bank accounts in a national currency into euro with the approach of 1 January 2002, the date for the introduction of euro coins and banknotes. The Commission, in fact, is asking banks to carry out this operation free of charge as from 1 January 1999. What is more, it wants them to make no charge for payments made from an account denominated in euro to one denominated in a national currency — and vice versa. Nor should they charge their customers for exchanging normal (i.e. 'household') amounts of coins and banknotes. Banks should also inform their customers of the charges they intend making and those they have invoiced.

● ... and taking care over dual price displays ...

There is no obligation to display prices in both euro and the national currency. But the European Commission has reminded firms using euro, whether in 2001 or before, that they will have to respect existing legislation as regards conversion rates between euro and the participating national currencies and the rules for rounding off euro amounts. In addition, dual-price displays will have to be unambiguous, easily identified and clear. The Commission has also advised retailers to limit dual-price displays to the minimum — the final price consumers have to pay, on the one hand, and the total on financial statements or receipts, on the other. Retailers are also being asked to indicate clearly whether they will accept payment in euro between 1999 and 2001. The Commission is also of the view that bank statements and bills from utility companies should be made out in both euro and the national currency as from 1 January 1999.

● ... without forgetting SMEs

In order to facilitate the transition to the euro for small businesses, the European Commission, in the third of its recommendations, is asking larger firms to give advance notice before issuing invoices in euro or asking to be invoiced in euro. Similarly, large firms should agree to show sums in the national currency if asked to do so by SMEs. Lastly, large firms should help their subcontractors adapt to the euro. The Commission is also inviting Member States to set up centres for monitoring the transition to the euro. Concerned professionals, the civil service and ordinary citizens would be associated with these centres. The Commission is also of the view that Member States must mobilise the educational system at all levels in order to inform the young and not so young about the euro.

The Commission's recommendations do not amount to binding 'laws'. However, if those to whom they are addressed failed to take account of them, the Commission would propose binding measures. It will make its initial examination of the way in which banks are implementing its recommendations before the end of 1998. The examination will be based on a report submitted by 31 October at the latest.

● A brake on late payments

In order to resolve the problem of late payments, which affects and even threatens the very existence of numerous SMEs, the European Commission proposed on 26 March a directive which would require payments to be made on time and provide for compensation in the event of late payment. For payments to be made by private sector firms, the proposal provides for a maximum payment period of 21 working days as from the date of the invoice, in the absence of a written contract. If this period is exceeded, the creditor could ask for interest to be paid. As for payments by the public sector, the Commission is proposing that contracts should not provide for payment periods longer than 60 days; if the contract is silent on this point, the payment period should be the same as for the private sector — 21 days. In the event of late payments, interest would be paid automatically.

● European risk capital markets

In order both to make it easier for SMEs, particularly those in high-technology sectors, to get started and grow, and to offer them opportunities similar to those found in the United States of America, the European Commission proposed on 31 March to promote risk capital markets at the EU level. The Commission's paper identifies existing obstacles in Europe and puts forward an action plan. The aim would be to integrate risk capital markets, which at present are fragmented and subject to national rules, including Europe's 'secondary' stock market, Easdaq. It would also be necessary to allow venture capital funds to raise capital throughout the EU, and to make it easier for pension funds to invest on a substantial scale in SMEs. Other suggestions include an improved tax regime for risk capital, better training for specialists in investments of this type, and promotion of high-tech SMEs.

○ IN BRIEF

On 18 March the European Commission proposed to the European Parliament and EU Council 10 legislative texts setting out EU financing priorities and prospects for the period 2000 to 2006, and dealing with projects based on the guidelines contained in **Agenda 2000**, which was submitted in July 1997. The focal points of these proposals are agriculture, regional and social aid, transport networks, research, SMEs and aid to countries that are candidates for EU membership.

As of 26 March, the proportion of **European 'internal market' directives waiting to be transposed** by the Member States ranged from 1.9 % in Sweden to 7.5 % in Austria and 7.6 % in Belgium. Although 20.9 % of directives had not yet been transposed in all EU countries, this nevertheless was an improvement, given that on 1 November 1997, 26.7 % of directives had not been transposed.

The European Commission announced on 11 March that it would propose **modifications to the directives on public works contracts** during the course of the year. The aim is to take into account the liberalisation of several public services, encourage the use of framework contracts, and provide greater flexibility in relations between buyers and sellers. In addition, the conclusion of contracts electronically would be encouraged, the goal being the computerisation of 25 % of transactions by 2003.

The European Commission has prepared a guide explaining the new EU laws to control the **trade in wild animals**. The guide can be consulted on the Europa Internet site: (http://europa.eu.int/en/comm/dg11/cites/citeshome.htm).

A communication adopted by the European Commission on 31 March seeks to clarify the application of competition rules to **access agreements in the telecommunications sector**. The document establishes the principle of priority for sectoral rules, although firms can always lodge a complaint based on competition rules.

National regulatory bodies should require **telecommunications companies which are market leaders** to separate their various activities from an accounting point of view. A recommendation to this effect was adopted by the European Commission on 14 April. The text provides indications of the methods to be used for this purpose.

On 31 March the European Commission launched the second stage of its consultations with employers' organisations and trade unions on the contents of possible legislation limiting **working time** in the sectors, above all transport, not covered by the present EU directive. The Commission has suggested extending the present European rules to non-mobile workers in the excluded sectors.

The European Commission adopted a **report on the transport of goods by rail** on 31 March. Its two main conclusions are that the EU should define more clearly the basic conditions of its market for rail transport, and that it should make access to railway networks easier for new companies. The aim is to halt the decline in the railways' share of the market.

SEEN FROM ABROAD

▶ The euro and the railways

The International Union of Railways (IUR) decided on 19 March to use the euro, as from 1 January 1999, for fares, clearance between companies and most international accounting operations. The IUR brings together railway companies from around the world, although the European continent is more widely represented than the others. The IUR already uses the ecu, the EU's present monetary unit.

**A great deal of additional information on the European Union is available on the Internet.
It can be accessed through the Europa server (http://europa.eu.int).**

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