



The euro: A successful launch, but it is only the beginning

by Yves-Thibault de Silguy, Member of the European Commission

The veritable vote of confidence in the euro, expressed by the markets, was the confirmation of the successful launch of the single currency. At the technical level, even the most optimistic forecasts were exceeded. The euro has thus acquired real credibility from the outset.

Four reasons for a successful launch

There are four main reasons why the launch of the euro was a success.

- Favourable economic prospects for Europe: The euro zone should benefit from the strongest growth among industrialised countries in 1999, according to the European Commission's autumn forecast.
- Convergence in the economies of the participating countries: The markets took into account the arrival of the euro long ago. The bilateral exchange rates announced in advance on 3 May were smoothly reached. The euro is already the second most traded currency. It inspires a great deal of confidence among operators. Thanks to its new currency, Europe today has the lowest interest rates since the First World War.
- Public acceptance and understanding of economic and monetary union (EMU) have grown steadily in recent years: There is a large majority in favour of the euro in all 11 participating countries. The level of support for the euro is growing in the other EU countries.
- Preparations for computerisation were effective: Of the thousands of operations already carried out, only a handful gave rise to mistakes — which were immediately corrected. I want to underline the role played by the European Central Bank (ECB) and the central banks of the Member States.

But we have a lot of work ahead of us, and many problems to solve, in order to make the euro the single currency of all Europeans and benefit fully from EMU.

The tasks awaiting us

For the European Commission, there are four main areas of activity.

- Ensure the successful transition to the euro for everyone on 1 January 2002. We must prevent the euro from becoming the currency of the financial markets alone for three years. To this end the Commission plans to tackle problems likely to arise.

Thus as regards bank charges it has issued recommendations which call for equal treatment between the euro and national currencies, with operations which are obligatory being carried out free of cost. If our recommendations are not implemented, the Commission will consider more binding measures. The recommendations mainly cover operations at the national level. One must be clear as regards cross-border transfers: the introduction of the euro does not unify payment systems for small amounts as yet. In the Commission's view, priority must be given to transfers; it is also looking into a system of a European electronic purse. As for euro coins and notes, one can envisage shops receiving them a few weeks ahead of the scheduled date of 1 January 2002.

- Strengthen the coordination of economic policies. The letter 'E' in the acronym EMU signifies that for the correct operation of the euro area economic union is as important as monetary union. All the required instruments already exist. They must be used to the full; governments must take the arrival of the euro into account in the management of their economic policy. I am thinking also of taxation: here the status quo is not acceptable in the long run. Member States have shown their goodwill as regards the principle; they must now move on from words to deeds, and work for a greater approximation of their tax systems, particularly as regards the taxation of savings, company taxation and VAT.
- Affirm Europe's ability to speak with one voice. It can and must take part in the reconstruction of the global monetary and financial system.
- Finally, the integration of the other EU countries must be made easier. All Member States have the intention of joining the euro area. The Commission hopes that Greece and Denmark can do so as quickly as possible. It is following the situation in the UK, where financial circles have already adopted the euro. It is hoping for a change in public opinion in Sweden also.

A great deal remains to be done, whether it is a matter of coordinating economic policies, representing the euro abroad or securing the acceptance of the new currency by all our citizens. Even though the euro is a reality now, the period ahead is crucial for its credibility and permanence.

■ Travel: more balanced information

From early spring computerised reservation systems (CRSs), which are run by airlines, will have to display not only flight information but also train times, whenever the railways offer a practical alternative to air travel. This is one of the innovations contained in a regulation which the European Union (EU) Council of Ministers adopted, in agreement with the European Parliament, on 25 January. Travel agents can subscribe to CRSs, but with the Internet becoming increasingly accessible, growing numbers of private individuals and firms will be accessing CRSs directly. The latter, according to the new regulation, will have to be told, free of cost, of the possibilities offered by CRSs and the conditions of use, particularly the charges to be met. The new regulation also contains the rules CRSs and their subscribers must follow as regards the display of timetables and charges. The aim is to ensure that CRSs do not favour a particular company, or group, at the expense of its competitors. To make sure that the rules are being met by the systems' vendors, the regulation provides for an annual technical control, to be carried out by independent controllers, who will have access to all parts of the CRSs. Their reports will be forwarded to the European Commission, which will be able to take the necessary measures if needed.

■ A court ruling favours expatriates

An employee who has gone to live and work in another EU country has the right to invoke, in relation to his/her own country, EU rules which ban discrimination based on nationality. A ruling along these lines was handed down by the European Court of Justice on 26 January, when it held in favour of Mr F. C. Terhoeve, a Dutch employee who had been posted by his employer to the UK from 1 January to 6 November 1990. Having worked in the Netherlands for the rest of the year, Mr Terhoeve was asked to pay social security contributions at a higher level than if he had remained in the Netherlands, his tax inspector having taken into account his earnings in the UK. Following long proceedings in the Netherlands, the case came before the European Court of Justice. The Court held that discriminatory treatment as regards social security contributions, of the kind to which Mr Terhoeve had been subjected, was contrary to EU rules, as it amounted to an obstacle to the free movement of persons guaranteed by the European Treaties. The Court added that an employee having worked for part of the year in another EU country had the right to pay social security contributions at the same level as his/her counterpart who had spent the entire year in his/her own country.

■ The radio and telecommunications terminals market

The EU-wide single market in radio equipment and telecommunications terminal equipment will come into existence by 1 January 2000 at the latest. This is the date by which EU Member States will have implemented a directive which the EU Council of Ministers adopted on 25 January, in agreement with the European Parliament. This text will replace two existing directives: a 1991 directive on telecommunications terminal equipment and a 1993 directive on satellite earth station equipment. It will simplify conformity recog-

inition procedures for such equipment, because it is in line with the EU's 'new approach' to technical harmonisation and lays down only the basic requirements to be met. The fact is that the average lifetime of the equipment in question scarcely exceeds three years, while approval procedures can last 18 months. Manufacturers will be able to choose between a number of conformity assessment procedures. The new directive covers all radio equipment, unlike the present texts.

■ Sexual equality and statistics

It is up to judges in the EU Member States to see whether a national law or similar measure amounts to discrimination, on the basis of sex. To this end, they must look at available statistics to see if the measure in question affects women to a clearly greater degree than men. In handing down this ruling on 9 February, the European Court of Justice referred back to the UK courts a case which began in 1991, when two employees were laid off by two different employers in the UK. The two women — Nicole Seymour-Smith and Laura Perez — sought compensation for unfair dismissal, but came up against a UK law, under which an employee can seek compensation for unfair dismissal only if he or she has worked for the same employer for at least two years without a break. The case went to the House of Lords, which consulted the European Court of Justice. The latter affirmed that compensation for unfair dismissal represents pay in the sense of the EC Treaty. Any discrimination based on sex as a condition for obtaining compensation was therefore illegal. It was now up to the UK judges to decide if the law in question constituted indirect discrimination in relation to women. If they found that it did, they would have to declare whether the law was justified, on grounds quite independent of any discrimination.

■ Immigration: more common actions

After introducing an action plan last year for refugees from Iraq and neighbouring regions, the EU Council adopted on 25 January the terms of reference of the high-level group on asylum and migration, which it set up in December. It also approved the list of countries of origin of the asylum-seekers and immigrants for whom the group of senior officials from the 15 EU countries and the European Commission will draw up action plans. The countries in question are Afghanistan and Pakistan; Albania and the neighbouring region; Morocco; Somalia and Sri Lanka. The action plans will include both a joint analysis of the causes of influx and suggestions aimed at strengthening the common strategy for development with the country concerned. The plans will also include identification of humanitarian needs and proposals based on them, indications regarding reception and protection in the region of origin, and repatriation. The European Commission announced in parallel on 1 February financial support amounting to EUR 16.75 million (EUR 1 = GBP 0.69 or IEP 0.79) for 76 projects aimed at improving reception facilities and helping with repatriation.

■ Irradiating food and food ingredients

The treatment with ionising radiation of food and food ingredients will soon be allowed throughout the EU, under certain conditions, which are contained in a directive adopted on 25 January by the EU Council, in agreement with the European Parliament. Irradiation may be authorised if it presents no health hazard, and there is a reasonable technological need, for example. A second directive, adopted the same

The European Environment Agency: INFORMATION TO IMPROVE EUROPE'S ENVIRONMENT

The European Environment Agency (EEA) and the related European Environmental Information and Observation Network (Eionet) provide objective, reliable and comparable information for those concerned with framing and implementing European and national environmental policy, and for the public. This is done using existing data and information, building on and improving existing capacities in Member States and European institutions. The EEA acts as an interface between data producers and information users by producing integrated information and structured knowledge that helps to frame and evaluate environmental activities.

Members

The EEA members are the 15 EU Member States but also (the only EU agency for which this is the case), the EFTA countries Iceland, Liechtenstein and Norway. The Agency is open to countries sharing its objectives, and it is expected that the next members will come from the group of accession countries.

Over the four years following the adoption of the 1990 regulation founding the EEA, the ground was prepared by a task force within DG XI, the Directorate-General for Environment, Nuclear Safety and Civil Protection of the European Commission. In 1993 the EU agreed to locate the Agency in Copenhagen. The task force was disbanded, and recruitment began in earnest. The EEA is still a compact structure, with 70 staff, around 10 national experts and a 1999 budget of approximately EUR 18 million.

EEA activities

The European Environment Agency has three main functions:

Networking activities coordinate the means for obtaining environmental information. These include helping to establish the organisational and telematic elements of the Eionet, and cooperating with international organisations and programmes.

Monitoring and reporting activities aim to offer a reliable, cohesive, simple, low-cost routine monitoring and reporting system, delivering comparable, harmonised data and integrated assessments. The EEA is to provide targeted, timely, relevant and reliable information to policy-makers and the public.

The reference centre facilitates environmental action through providing an entry point for access to environmental information and harmonised data.

All three of these EEA activities are designed to *support policy actions*, to encourage their implementation, and to evaluate the effectiveness of such actions.

The organisation

The work is project-oriented and follows an annual work programme which seeks to be transparent, accessible and responsive to client needs. Annual planning is guided and driven by the five-year multiannual work programme. The next programme will take effect in 1999.

The Agency's legal basis (Regulation (EEC) No 1210/90) is now being revised, a process which is expected to be finalised in the near future.

The EEA organisation consists of a director's office, an administrative department and three operational departments: (i) monitoring and databases, (ii) analysis and integrated assessment, and

(iii) operational base and infrastructure, publications and information.

The Management Board consists of one representative from each of the 18 member countries, two representatives of the European Commission, and two scientists nominated by the European Parliament. The Scientific Committee advises on scientific matters and on appointments of scientific staff.

DPSIR — The EEA's conceptual framework

The work of the EEA is built around a conceptual framework known as the DPSIR framework. This builds on the existing OECD model and provides a basis for analysing the interrelated aspects of environmental issues.

DPSIR stands for:

- driving forces (i.e. population and economic activity)
- pressures (such as polluting emissions)
- state of the environment
- impacts (for example health effects)
- responses (like legislation, environmental taxes, etc.).

The aim is to provide information on all elements, demonstrate their interconnections and help evaluate the effectiveness of societies' responses. So far the Agency's priority has largely been given to pressures, states and impacts, but increasing attention will be given to driving forces and responses.

Linking partners across Europe

The EEA must use existing data and build on and improve existing capacities. Consequently, the EEA's work is based, and completely dependent on, the input of what has been named the European Environmental Information and Observation Network (Eionet).

The Eionet includes:

- *nine European topic centres* (ETCs) — consortia undertaking collaborative data collection and analysis in priority areas. ETCs cover air emissions, air quality, inland waters, land cover, marine and coastal environment, nature conservation, soil and waste. A ninth catalogues and provides access to data sources. PHARE topic links provide similar services on inland water, air quality, air emission, nature, and land cover in central and east European countries;
- *eighteen national focal points* (NFPs) — typically ministries or national environment agencies. Their role is to assist in the preparation, implementation and follow-up of the EEA work programme and the development of the Eionet.

In addition, there are several hundred other institutions in the network which collect, interpret and supply environmental data and provide expertise in environmental science, monitoring or modelling.

The Eionet telematics network

A telematics network has been set up to provide channels for information flow and a medium for publication. Within the network there is a public access area via an Internet website as well as a restricted Intranet open to Eionet collaborating partners.

The network is used for retrieval and interpretation of the data needed for the EEA state of the environment reports. It assists in the

editing process and offers a platform for publishing. It also allows direct access to the databases of the Eionet nodes, making the network a clearing house for the mass of information that is generated. Also of great importance is the dissemination of information to the general public.

The Information Technology and Telematics Advisory Group (ITTAG) advises on the EEA telematics strategy. DG III of the European Commission has, through the IDA project, funded a major part of the initial network.

Bringing international partners together

The EEA has signed 'memoranda of understanding' with several agencies with overlapping activities, such as the EU Statistical Office, the EU Joint Research Centre, the United Nations Environment Programme, the United Nations Economic Commission for Europe, the Organisation for Economic Cooperation and Development and the World Health Organisation.

Cooperation with bodies outside the EU is also important. Central and eastern Europe is getting increasing priority via the EU's PHARE programme and it is hoped that this can be extended to the new independent States of the former Soviet Union through the EU's TACIS programme. Europe's Mediterranean Sea neighbours will prove to be important partners, as will countries bordering the Arctic. Cooperation with the US Environment Protection Agency has been initiated, as has cooperation with the People's Republic of China.

Information and dissemination

Most of the EEA's output is in the form of printed reports, but it also includes CD-ROMs and an increasing amount of material made available through the Internet. The reports are grouped into the following categories:

Environmental Outlook and Environmental Signals reports. These comprehensive reports present key information and integrated assessments of the state of the environment, the pressures, driving forces and societal responses in Europe. They are the Agency's main products, but differ in scope and frequency: 'Environment Outlook' are in-depth reports produced once every five years, while 'Environmental Signals' contain annual updates of key indicators. Targeted at civil servants, academics, political decision-makers and the public at large, they are written to be accessible to a wide range of audiences, even non-specialists.

The year 1998 saw the update of the pan-European *Europe's environment — The second assessment*, prepared for the Aarhus Ministerial Conference in June. In the first half of 1999 there will be a fresh review of *The state and prospects of the EU environment* embracing enlargement and designed to support the European Commission in its evaluation of EU environmental policies. Also in 1999, a first trial version of the annual Signals report will be published.

Environmental Issues reports. These provide background knowledge and analysis of a particular environmental issue supporting the development and implementation of environmental policies. Issues reports aim at specific audiences: civil servants, academics, interested political decision-makers and practitioners in public administrations and private businesses. Issues reports are also intended to be accessible to interested non-specialists.

The Agency also produces free of charge summaries of its Outlook, Signals and Issues reports.

Topic reports. These are reports resulting from monitoring and data collection activities, describing the pressures, state and quality of the environment in specific topic areas. The series also contains reports directly supporting the framing and implementation of policies. Topic reports provide reference information for scientists and specialists, as well as information to a broader audience on certain topics.

Technical reports. These are highly specialised reports dealing with the 'nuts and bolts' of environmental monitoring. The reports aim at scientists and specialists in environmental institutions. In most cases the electronic version of the report is considered the main product, and print run is therefore limited.

The EEA homepage (<http://www.eea.eu.int>) provides information on, and gives access to the EEA, its staff, reports and services and also provides links to other Eionet homepages. With more than 500 000 hits per month, it is rapidly becoming a major tool for making products and services known and available. In addition to general information and summaries, many reports are available in full text.

The EEA publishes a newsletter and also various types of general information material. The Library and Information Centre receives around 300 requests per month from all over the world, covering issues ranging from the general to the highly specialised.

Sustainable development requires new values and partnership between governments and the public. The EEA, through providing reliable information to key groups, shaping public perceptions and informing the public, aims to help European citizens to 'tread more lightly upon the earth'.

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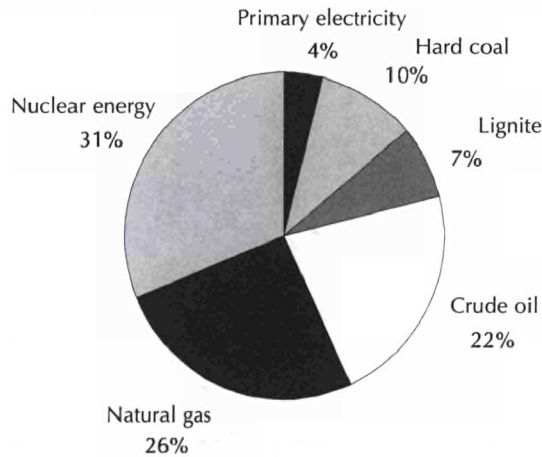
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Energy production in the EU Production and consumption in decline

Production of primary energy in EU-15, by product, 1997

The production of primary energy in the European Union was 700,7 million toe (tonne of oil equivalent) in 1997, a decline of 1,1% compared with 1996

As in previous years, nuclear energy represented the largest single component of energy production, accounting for 31% of the total production of primary energy in 1997. It was followed by natural gas (26%) and crude oil (22%). The changes compared with the previous year were mainly due to declines in the production of coal (-4,9%) and natural gas (-2,2%).



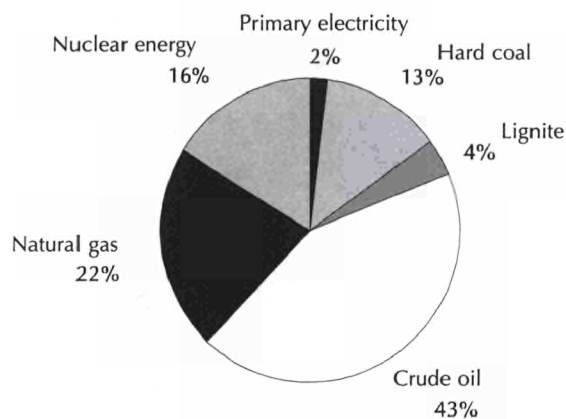
Production of primary energy, millions of toe

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU15
1996	11,3	16,1	131,7	8,4	28,2	114,0	3,2	27,6	0,0	72,3	5,6	1,4	7,9	23,6	258,3	709,5
1997	12,6	18,5	130,1	8,2	26,5	113,4	2,9	28,0	0,0	63,9	5,8	1,2	9,0	23,4	258,3	700,7

In 1997, total gross domestic energy consumption in the EU was 1 331,7 million toe, a decline of 1% compared with 1996

The consumption of petroleum declined by -2,3%, whereas the consumption of primary electrical energy increased significantly (+6,1%). As regards the five biggest energy consumers, Germany, France and the United Kingdom recorded reductions in consumption, while Spain and Italy saw their consumption rise.

Gross domestic consumption in EU-15, by product, 1997



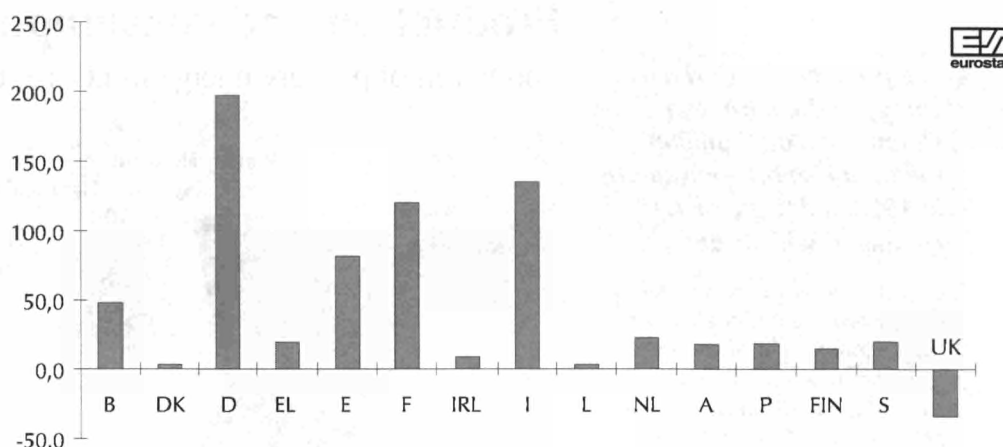
Gross domestic consumption, millions of toe

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15
1996	55,0	22,1	329,7	23,7	95,7	232,2	10,7	160,0	3,4	75,0	23,7	17,6	21,8	44,6	230,5	1345,8
1997	55,4	19,0	324,0	23,9	103,0	229,4	11,3	162,0	3,3	73,5	23,9	19,0	23,5	41,4	219,1	1331,7

For the Union as a whole, total net imports (imports less exports) were 675,4 million toe in 1997, an increase of 0,6% compared with 1996

All the Member States except the United Kingdom are net importers. The biggest increase in net imports was recorded in the Netherlands (50,4%), while Denmark reduced its energy deficit by more than 48%.

Total net imports, millions of toe, 1997



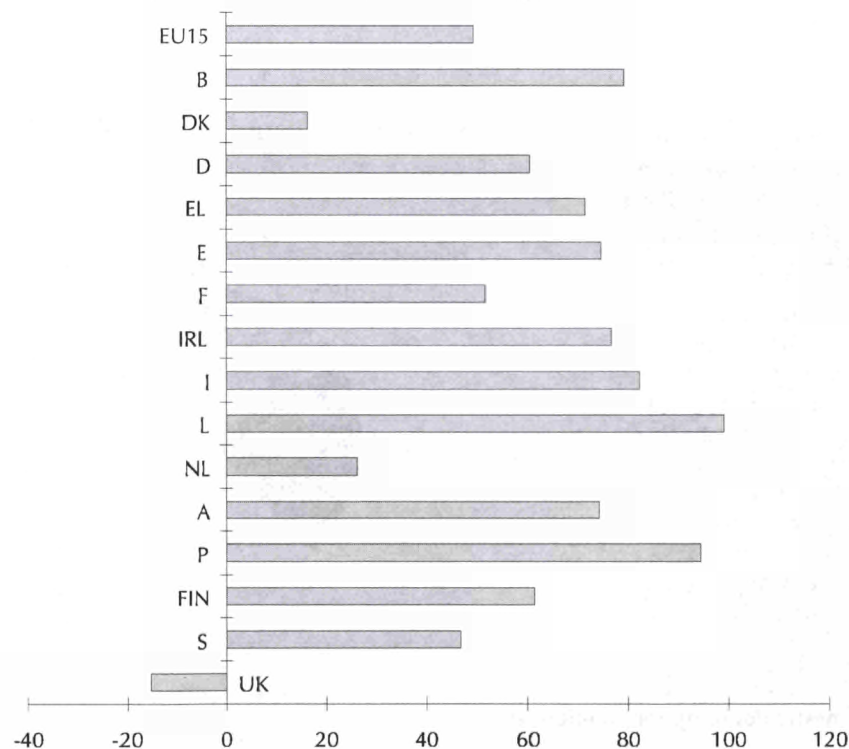
Trade in energy products, millions of toe, 1997

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15
Total imports	70,2	18,3	230,5	23,0	89,6	145,7	10,2	156,5	3,3	114,8	19,8	20,6	18,3	31,0	74,4	1026,1
Total exports	22,1	15,0	33,1	3,6	8,4	25,8	1,4	21,2	0,1	92,4	2,0	2,3	3,9	11,1	108,5	350,7
Total net imports	48,1	3,3	197,4	19,4	81,2	119,9	8,8	135,3	3,2	22,4	17,8	18,3	14,4	19,9	-34,1	675,4

The EU's rate of dependence on imported energy, i.e. the share of net imports in domestic consumption, rose from 48,5% in 1996 to 49,2% in 1997

Denmark posted the lowest positive rate of dependence on imported energy in 1997 (16,2%), while the United Kingdom was actually a net energy exporter, with a negative rate of -15,3%.

Rates of dependence on imported energy, 1997



Rates of dependence on imported energy

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU15
1996	81,4	27	59,9	69,1	74,1	50,9	70,9	82,7	99,8	17,2	76,5	91,9	63,7	49	-11,4	48,5
1997	79,2	16,2	60,5	71,4	74,7	51,6	76,8	82,3	99,1	26,1	74,3	94,5	61,2	46,6	-15,3	49,2

day, contains a list of foodstuffs which can be treated with ionising radiation as soon as the two texts come into force. Member States have 18 months in which to implement them. The initial list contains dried aromatic herbs, spices and vegetable seasonings. The EU will draw up in stages the complete list of foodstuffs that can be irradiated, with the European Commission submitting its last proposal by 31 December 2002 at the very latest.

IN BRIEF

From now on customs authorities in the EU Member States will be permitted to take action against goods which imitate a process or a patented product without licence. The EU Council adopted a regulation on 25 January which extends to patents the scope of an existing EU regulation covering **counterfeit** and **pirated** goods. The products covered by the regulation can neither be released for free circulation in the EU nor exported.

A regulation of an EU Member State which provides for the automatic **expulsion for life** of a citizen of another Member State, who has been found guilty of possessing and using illegal drugs, is incompatible with the EC Treaty. A ruling to this effect was handed down by the European Court of Justice on 19 January. The case had reached the Court following the expulsion of an Italian woman by a Greek court. The European Court held that such an expulsion could not be justified except in rare cases, when the personal behaviour of the individual in question would be taken into account.

Coffee and chicory extracts, whether soluble or not, as well as instant coffee and chicory, will be able to move more freely within the EU as from 1 July 2000 at the latest. This is the deadline for the implementation by EU Member States of a directive adopted on 25 January by the EU Council, in agreement with the European Parliament. This directive replaces a 1977 text, which it both simplifies and restricts to the essential requirements to be met by the products in question, so that they can move freely within the single market.

INITIATIVES

● A multiservice Internet site for SMEs

By simply typing <http://europa.eu.int/business> you can access a range of information of interest to firms, particularly small and medium-sized enterprises (SMEs). The European Commission, which announced this initiative on 25 January, has integrated it into its 'Dialogue with citizens and business'. The new site, which exists in the EU's 11 official languages, offers on-line communication for the first time with the 230 Euro Info Centres, the business information centres which are to be found in all parts of the EU. You can put questions on-line to one of these centres, and receive an answer by e-mail. The site also provides an overview of European policies of interest to business, as well as information on the four fields which top the list of requests for information from SMEs. They are technical standards, financing possibilities, intellectual property rights and government procurement. As regards this last topic, the site provides free access to the TED database, which contains announcements of public works contracts open to European competition. Other types of information available at the same address include single market rules, in summary form and in full, EU regulations, national laws of Member States and legal decisions. The new site even offers a free translation service.

EURO: CONCERNING BANK CHARGES

Since the arrival of the euro on 1 January, exchange risks have disappeared as regards the currencies of the 11 euro-area countries. The cost of converting their banknotes should be less — by some 10 to 20 %. The cost of transfers and other forms of payment between countries should come down. In any case, banks must set out charges clearly and in detail. Banks cannot charge, however, for converting an account held in a national currency into euro, nor for transfers denominated in euro to an account held in francs for example, and vice versa. To allow bank customers who feel they are being unfairly treated to lodge a complaint, the European Commission introduced two fax numbers in early February. They are (32-2) 295 07 50 and (32-2) 296 56 08. It has also listed two e-mail addresses (europoint@dg15.cec.be and eurosignal@dg24.cec.be). The Commission, which had asked banks on 12 January for information on their charges, received answers on 29 January. In early February it asked banks to provide it, by 31 March, with detailed information on the fees invoiced by them for exchanging euro-area banknotes and for payments by cheque, bank transfer and card within the euro area. On 16 February, 30 inspectors from the European Commission carried out checks at major EU banks, in order to see if they had agreed among themselves to maintain charges at a high level.

● Access to public information

Private individuals or companies wanting to find out, from a distance, about the regulations of another EU member country often have difficulty in obtaining the necessary information. Public sector information, as well as national, regional or local information is fragmented, and access to it varies a great deal from country to country. This is particularly true of electronic information. Basing itself on this finding, contained in a Green Paper published on 20 January, the European Commission is asking all interested persons to give their opinion on the causes of the problems and suggest solutions. The Green Paper can be consulted on the Internet (<http://www.echo.lu/legal/en/access/access.html>). Comments and suggestions must be sent to pubinfo@cec.be or by mail to the European Commission, c/o Mr Huber, Head of Unit, DG XIII/E.1, Euroforum Building, Office 1174, rue Alcide De Gasperi, L-2920 Luxembourg.

IN BRIEF

Last year the **European Investment Bank** (EIB) extended loans for a total of EUR 29.5 billion, of which EUR 25 billion was within the EU itself, according to information published on 4 February. This was the contribution of the EIB, which is the euro area's largest borrower, to preparations for the single currency. The EIB also provided EUR 560 million in risk capital to innovative SMEs, and at the same time gave its backing to some 10 000 initiatives by SMEs. The EIB also helped with the development of trans-European transport, energy and telecommunications networks.

The European Commission proposed on 9 February to raise the turnover and balance-sheet thresholds used to **define the SMEs** to which Member States can grant simplified accounting formalities. The aim is to take monetary changes into account, given that the last updating was in 1994.

A **'service card for EC services'** would allow EU firms to provide services in another Member State, using employees who, while not nationals of an EU country, are nevertheless legally established there. Similarly, self-employed persons from third countries who are established in the EU

could provide services in other Member States. This is the sum and substance of two directives proposed by the European Commission on 27 January.

The European Commission has authorised the **reproduction of the side of euro coins which is common to all euro-area countries**, and for which it holds the copyright. An announcement to this effect was made on 14 January. But it has banned its reproduction on metal pieces which might lead to confusion because of their size. Again, in order to avoid confusion, the Commission has also advised Member States not to issue collectors' items, tokens and medals bearing the word 'euro' or 'euro cent', which are similar in appearance to genuine coins, before 1 January 2002, the date set for the introduction of euro coins.

The Internet is used by 43 % of **small businesses employing 10 to 50 people** in the EU, according to a poll carried out in September for the European Commission and published on 25 January. All of them are in search of information. As many as 84.9 % of them use e-mail, but fewer than half of them have their own Internet site.

Between 1 May and 1 November of last year, **price differences for cars** narrowed considerably between the most expensive and least expensive Member States, according to the European Commission's latest half-yearly report, published on 1 February. The UK remains the most expensive country, while prices are lowest in the Netherlands, Spain, Portugal and Sweden. The changes noted by the Commission are the result both of monetary fluctuations and a deliberate policy on the part of manufacturers, a policy which, on occasion, has been to raise prices, however.

In order to end the EU's dependency on the United States and, incidentally, Russia, the European Commission put forward on 10 February a proposal for a **European (global) system of navigation by satellite**. The project, called Galileo, involves an investment of between EUR 2.2 billion and EUR 2.9 billion for a system which would be operational in roughly 10 years. Applications would range from transport to farming, and include the fight against fraud.

The latest series of collision tests carried out in the framework of the **European new car assessment programme** (EuroNCAP) points to progress in the manufacture of vehicles, resulting in improved passenger safety. The results were published on 26 January. Under the programme, cars from different manufacturers are subjected to the same tests and criteria. The programme is supported financially by the European Commission.

In order to avoid problems for European and American firms, the European Commission proposed on 8 February to **extend the transitional period for the use on labels of units of measurement other than metric until the end of 2009**. The present derogation from the metric system expires at the end of 1999.

A proposal for a series of measures aimed at **improving the system of patent protection** in the EU was announced by the European Commission on 12 February. It will propose the creation of an EU patent and the harmonisation of the conditions for the patentability of software-related inventions. The Commission also envisages support for national patent offices in promoting innovation. This programme is a follow-up to the consultations carried out in the framework of a Green Paper in 1997.

In its **sixth report on the regions**, published on 2 February, the European Commission points out that the most disadvantaged regions in the EU were catching up with the others in relation to the GDP (gross domestic product) average for the EU as a whole between 1986 and 1996. The

Commission found good progress in the fields of infrastructure and innovation. Economic integration and aid from the EU budget have played a considerable role in bringing about these changes. However, differences in unemployment rates have often increased.

SEEN FROM ABROAD

The euro still holds centre stage: in Tokyo, Osaka and Nagoya, in Japan, six giant screens showed clips on the **euro** every hour from 15 January to 28 February, on the initiative of a Japanese company. In Havana, Cuba, the president of the country's central bank, Francisco Soberon, announced that accounts denominated in euro can be held in Cuba.



According to a poll published on 16 January, 45 % of **Norwegians** are in favour of their country's membership of the European Union, with 40 % opposed to it. The Norwegians voted against membership during referendums held in 1972 and 1994.

In a 400-page report published on 3 February, the **Swiss federal council (government)** estimated the cost of the country's eventual membership of the EU at EUR 1.94 billion to EUR 2.44 billion. The report does not quantify the benefits of membership.

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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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