



## Elections to a strengthened Parliament

by José María Gil-Robles, President of the European Parliament

Europeans will be voting in the elections to the European Parliament in June. These elections are taking place at a particularly suitable and interesting time. During the last few months, European Union citizens have been able to see for themselves that the European Parliament can carry out its duties rigorously and effectively, exercising the controls which are characteristic of all parliamentary democracies.

### Legislation and control

The European Parliament has seen its institutional role progressively strengthened, at the level of both legislation and controls. In the first case, the co-decision procedure has allowed us to intervene effectively in the adoption of more than 100 regulations, thus translating the interests and concerns of the people whom we represent into law.

The way in which Parliament has handled the matter of Agenda 2000 is the clearest proof that our institution is in a position to carry out its legislative duties very satisfactorily. Members of the European Parliament (MEPs) coming from 15 Member States and some 100 political parties have been able to draw up a common proposal more quickly and easily than the EU Council of Ministers. This is proof that it is possible to conclude agreements that are advantageous as well as acceptable to everyone, once the debates are marked by a manifest willingness to work to this end.

The European Parliament's duty to monitor the Community's executive has recently had consequences which could hardly have been foreseen a few years ago, and which will mark the development of the EU in the years ahead. The European Commission's recent resignation involves the crystallisation of an institutional readjustment launched by the entry into force of the Maastricht Treaty, which has conferred real powers on the European Parliament for the first time in the legislative field, and strengthened its competence in matters of control.

Parliament has become aware in recent years of this new situation, and has gradually learned to exercise its new and important responsibilities. Some two years ago, the so-called 'mad cow' crisis had already shown Parliament to be capable of requiring the Commission to modify ill-conceived policies. As a result of the Maastricht Treaty, and even more so of the Amsterdam Treaty, the European Commission cannot legitimately carry out its duties unless it can count on Parliament's political confidence at all times, just as national governments cannot remain in power without the support of their respective legislative bodies.

### A useful institution

It is true that greater participation by Parliament in the daily life of the Community can result in certain localised complications, or even lead to a crisis, such as the one which unfurled in recent weeks. It is a small price to pay for having a truly democratic political system, one within which people can relax, knowing that the executive must be answerable at all times to a Parliament, all of whose debates and activities are public.

It has been said that an important negative consequence of the resignation of the European Commission was the break-up of the tandem which it formed with the European Parliament, opposite the European Council. I do not share this view. I think that the new balance between Parliament and the Commission is much more suitable for all concerned, and that both bodies will emerge much stronger from the crisis. This is true of Parliament because it now occupies the political space which has belonged to it. The Commission will also benefit in the medium term, to the extent that a strong executive, capable of securing Parliament's support in a credible manner, will always be better placed to carry out its duties and play the key role conferred on it by all the treaties.

Parliament's political activity has been accompanied by a massive attempt at internal reorganisation, designed to improve efficiency and transparency. The operating methods inherited from what was simply a consultative body, made up of delegates from the various national parliaments, have been replaced by standards and practices which are more those of a genuine legislative body. The most tangible result of this has been the adoption of a common statute for MEPs, which I hope the Council will quickly approve.

European citizens will have a much clearer idea about the European Parliament when they vote in the June elections. All parliaments find it difficult to reach their voters through publicity campaigns, and this is especially true of the European Parliament. The best publicity is represented by what has been accomplished, and the fact that the voters realise the usefulness of the institution itself. A usefulness which, I think, this Parliament has clearly demonstrated.

## ■ Finance for the years 2000 to 2006

The European Union (EU) Heads of State or Government reached an agreement on the financial framework for Community activities during the period from 2000 to 2006 when they met in Berlin on 24 and 25 March. This political agreement must now be translated into legislation by the European Parliament and EU Council of Ministers. The latter approved on 14 April the texts covering the EU's Structural Funds, which include the regional and social funds. The Berlin agreement reforms the common agricultural policy (CAP), the largest single item of EU expenditure, and concentrates regional and social aid on those geographical regions and groups of people that need it most. It also indicates the resources the EU will need, and the maximum amounts that it will be able to allocate to its various policies and to the administration of the EU. This financial perspective follows on from that adopted in 1992 by the European Council in Edinburgh and covering the period from 1993 to 1999. The EU's own resources are not expected to exceed 1.27 % of GNP, as in 1999, while total expenditure is expected to be in the neighbourhood of EUR 90 billion in 2000 and 2001, and around EUR 100 billion in the following years (EUR 1 = GBP 0.67 or IEP 0.79). These figures assume that the new Member States will join the EU from 2002. The Berlin agreement provides for funds to be used to prepare the candidate countries for membership and for enlargement itself. They amount to EUR 9.5 billion in the year 2000, rising to EUR 19.8 billion in 2006.

## ■ Agreement on fixed-term contracts

The agreement signed on 18 March by the EU's social partners at the European level should rehabilitate fixed-term work contracts. The agreement between UNICE (Union of Industrial and Employers' Confederations of Europe), CEEP (European Centre for Public Enterprises) and ETUC (European Trade Union Confederation) has two aims. The first is to prevent discrimination between workers on fixed-term contracts and those on permanent contracts. The second is to prevent the improper use of a succession of fixed-term contracts by employers wanting to avoid their obligations as regards stable employment. This agreement complements an agreement on part-time work signed by these same organisations. They have asked the European Commission to redraft their latest agreement as a directive, to be submitted to the EU Council of Ministers.

## ■ Towards simpler transit procedures

The development of customs transit procedures which are simpler, and at the same time prevent fraud, made fresh progress with the adoption on 29 March, with the agreement of the European Parliament, of a regulation modifying the Community Customs Code. The text clarifies the definition of the discharge of the transit procedure, as well as the methods of guarantee and the conditions under which firms are entitled to a reduction in the related financial costs. The new regulation also improves European supervision of the simplified procedures introduced under the agreements between EU Member States. Finally, it sets out clearer rules for the appointment of the competent authorities for debt collection, when goods in transit are not subject to customs surveillance. The regulation is part of an action plan for overhauling transit procedures, launched by the European Commission on 30 April 1997, in order to implement the recommendations of a European Parliament commission of enquiry. The aim of the plan is to ensure that the 15 national customs authorities operate as one.

## ■ The agents' code of conduct is approved

The amended code of conduct of the Institute of Professional Representatives (EPI) is compatible with EU competition rules, the European Commission decided on 14 April. This is the first time that the Commission has applied these rules to the professions in an area other than the setting of fees. The EPI brings together, as a professional body, all European professional representatives to the European Patent Office. It had set out rules which practically banned its members from advertising or offering unsolicited services. Following a complaint, the European Commission had informed the EPI that certain provisions of its code of conduct were incompatible with EU competition rules. Once the Institute had amended its code, the Commission could declare that most of its provisions were compatible with the EC Treaty. This means that EPI members will hereafter be able to offer their services in the Yellow Pages of telephone directories and in the press. As regards the ban on comparative advertising and the offer of services to users who are already clients of other agents, the Commission has only granted an authorisation until 23 April 2000. This is the date on which all EU Member States will have to implement the European directive allowing comparative advertising.

## ■ An independent fraud office

From 1 June, a fraud investigation office, within the European Commission, will replace the present Unit for the Coordination of Fraud Prevention (UCLAF). The new office, whose creation was announced by the Commission on 17 March, will be independent. Its director will neither seek nor take instructions regarding its investigations from the Commission or any other institution or government. The office will be able to investigate all fraudulent and illegal activities at the expense of the EU budget, and to conduct its investigations within EU Member States as well as European institutions. Last December, the Commission proposed to the European Parliament and Council of Ministers the creation of a fraud investigation office as a new EU institution. But both the Parliament and the Council preferred the mechanism that has now been adopted.

## FROM ONE COMMISSION TO ANOTHER

The European Commission, presided over by Jacques Santer, which resigned on 16 March, will remain in office, however, until a new Commission is in place, as provided for by the EC Treaty. While the Treaty does not limit the Commission's powers under the present circumstances, the Commission adopted the following rule of conduct on 17 March: 'We have decided to exercise our powers in a restrictive manner, i.e. to deal with current and urgent business, and to comply with our institutional and legal obligations, but not to take fresh political initiatives.' At the same time, Mr Santer and his colleagues called on EU Member States to 'appoint a new Commission without delay'. At the European Council, which met in Berlin on 24 and 25 March, the EU Heads of State or Government decided to appoint the former Italian Prime Minister, Romano Prodi, to the Presidency of the next Commission. The European Parliament should vote on this appointment in early May. The other members of the new Commission will be designated by the governments of the Member States, by mutual agreement with the new President.

## The European Foundation for the Improvement of Living and Working Conditions

The conditions in which Europe's 372 million citizens live and work are the focus of the work of the Foundation which was established in 1975 by the Council of Ministers to support the efforts of policy-makers and decision-takers at the European level to improve living and working conditions.

In its four-year rolling programme of work from 1997-2000, the Foundation has identified six major challenges: employment, equal opportunities, health and well-being, sustainable development, social cohesion, and participation.

Each research project in the annual work programmes addresses one or more of these challenges. Research and development projects focus on the areas identified as critical to working and living conditions. The Foundation also organises debate and exchange activities and a comprehensive information and dissemination programme in order to make known the results and findings of its work.

Priority issues are identified by the Foundation's Administrative Board which comprises representatives of employers, trade unions, national governments of Member States and the European Commission. The Board has identified employment issues as the central focus of the current programme. The Foundation's work will address three main priorities in the employment area: the potential for job creation and/or job protection, the improvement of the quality of employment, and the development of improved access to employment opportunities.

The structure of the labour market is changing, with increasing flexibility, the participation of women in the workplace and the growth of the services sector. This presents the dilemma of meeting the need for decent work and income for European citizens, while remaining competitive in the global economy.

Employment issues are of central concern to SMEs which employ approximately 70 % of the private sector workforce. Specific Foundation projects are focused directly on the sector, while others take account of their significant role as employers and economic players. Areas of research which focus on SMEs include research on the quality of jobs in micro firms, future work preferences of the labour force and the use of information technology in the area of industrial relations and sustainable development.

### Jobs in EU micro firms

The 'Jobs in EU micro firms' project consists of a major study, in selected countries of the EU, on the quantity and quality of jobs in micro firms (one to nine employees). The project is designed to complement the work being done in the field of job creation and job quality in SMEs by other organisations such as the European Commission (particularly DG V and DG XXIII), the OECD and ILO.

The aim of the project is to examine the relationship between the employment-creation potentialities and the employment conditions in EU micro firms compared with large enterprises and to identify and analyse the significant aspects of the employment conditions in EU micro firms and small firms from the perspectives of workers, employers, and other parties in the labour market.

### Work options of the future

In order to plan for the future, policy-makers need information on how different employment options meet the wishes and aspirations of the workforce. These preferences have important consequences for labour force legislation as well as the issues facing employers and companies seeking qualified personnel.

The project 'Work options of the future' was designed by the Foundation to assess the preferences, over the next five years, of those who work, and of those who wish to work, taking into account their personal situation, their own economic situation and the general economic and labour market situation.

Nearly 30 000 people aged 16 to 64 from all the Member States and Norway were interviewed about their present employment status, their working conditions and their preferences for the survey.

The initial findings indicate that people expect that employment rates will increase over the next five years. They assume that governments and employers will succeed in providing job opportunities for more people either by creating new jobs or by sharing the present amount of work among more people.

It is apparent that these findings have important implications for SMEs and other employers. The findings will give SMEs valuable information on different employment options and highlight the opportunity to look at different ways of distributing the available work.

### The EPOC project (employee direct participation in organisational change)

A debate on direct participation in organisational change and its use in fostering the motivation, commitment and empowerment of employees is taking place across Europe. Participation has enormous implications for building an inclusive society in Europe.

The EPOC project provides a systematic overview of the position of the social partners on direct participation and presents an overview of the extent and effects of direct participation in the EU on employment and business performance. Such information supports the discussion among the social partners and the EU institutions, and enhances the exchange of experience between the Member States on concepts and practice of direct participation in organisational change.

The economic effects of good practice of direct participation were evident in the EPOC survey. Taking the example of group work, half of all the managers interviewed saw a cost reduction related to group work, two thirds perceived a reduced through-put time, and nearly 90 % improved their quality of products and services. The quality of employment was also seen to improve with a significant drop in sickness and absenteeism.

An important question was the interplay between direct participation and representative participation and the resultant economic effects. Importantly, the survey indicated that where new forms of work organisation with strong elements of direct participation were introduced after consultation with worker representatives, the economic effects were significantly more positive, for example the effect on perceived cost reductions was 20 percentage points higher.

## EIRO

Considerable expertise and experience have been developed by the Foundation in the building and maintenance of international networks. The European Industrial Relations Observatory (EIRO), a network of 16 national centres which is managed from a central unit in the Foundation, gathers information and analyses developments in European industrial relations. Its database, EIROOnline, is accessible on the world wide web at [www.eiro.eurofound.ie](http://www.eiro.eurofound.ie) and the EIROObserver, a bimonthly bulletin in print and electronic form, published by EIRO, carries a selection of news, features and thematic comparative supplements on European industrial relations.

## Sustainable development

Environmental protection requirements must be integrated into European policies and activities, with a view to promoting sustainable development. The objectives of the Foundation's research are to promote awareness of the issues and changes in behaviour by industry, SMEs and consumers and to analyse the impact of new instruments to balance competitiveness and employment goals with sustainable production and consumption policies.

Increasing environmental awareness at all levels of society is a prerequisite for manageable growth. The inclusion of an environmental component in occupational and academic training courses has been a relatively recent phenomenon and many of

the courses provided are still under development. The Foundation's project 'Professional education and training for sustainable development' aims to identify requirements in relation to SMEs in the drive for sustainable development and to highlight the changes required to existing curricula and training practices.

## Networks directory

A reassessment of traditional, established modes of production and consumption, in particular in the developed world, is at the very heart of the drive towards sustainable development. Many of the theories and practices relating to sustainability are new or still evolving. A need exists, and is increasingly being met, for sites to exchange information, research and insights.

The Foundation has launched the *Sustainable development networks directory*, an innovative way of using the Internet to promote sustainable production and consumption. The directory includes a selection of 50 networks/websites already available on-line, but new organisations/networks will be added regularly. Each site is identified, classified and summarised. The objective is to give a broad overview of leading initiatives which seek to stimulate debate, especially among the social partners in industry, thus helping refine models of, and chart new trends in, sustainable development. Access the directory at [www.eurofound.ie/sustainability/](http://www.eurofound.ie/sustainability/).

## Information Centre

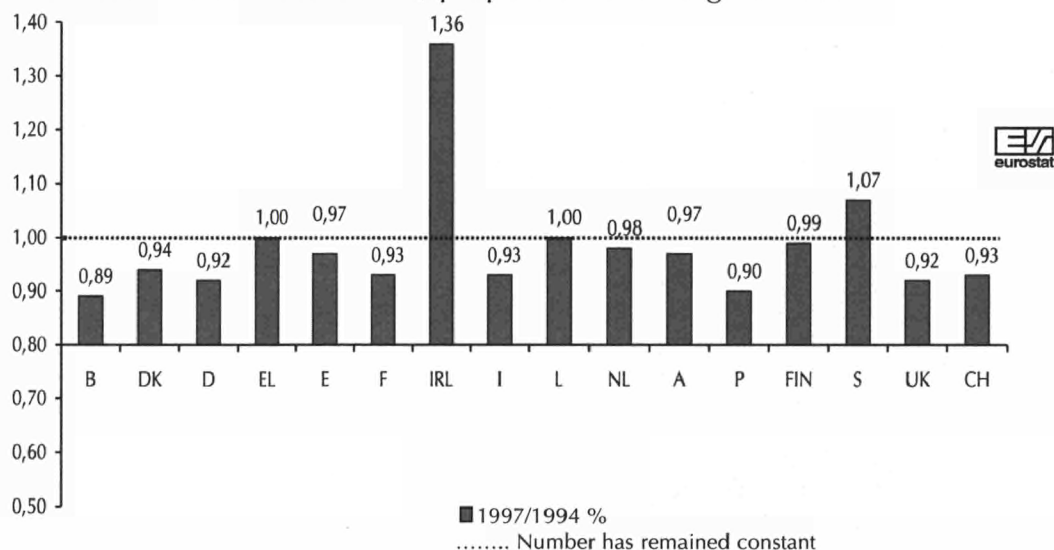
In addition to a comprehensive programme of research and analysis, the Foundation publishes reports, research summaries and a monthly newsletter. It also organises conferences and exhibitions and has a full enquiry service. The Foundation's work is the public domain and is available to all interested parties. The Foundation's website at [www.eurofound.ie](http://www.eurofound.ie) provides an easily accessible gateway to the work and publications of the Foundation. Its publications are also available from the Office for Official Publications of the European Communities, 2, rue Mercier, L-2985 Luxembourg. Further information is available from the Information Centre, European Foundation for the Improvement of Living and Working Conditions, Loughlinstown, Co. Dublin, Ireland; tel. (353-1) 204 31 00; fax (353-1) 282 64 56; e-mail: [postmaster@eurofound.ie](mailto:postmaster@eurofound.ie); Internet: [www.eurofound.ie](http://www.eurofound.ie).

## Statistics on Credit Institutions A climate of change

*Since 1994, the total number of credit institutions in Europe and Switzerland has been declining. The incentive for mergers and acquisitions remains high in a competitive market*

Belgium, Denmark, Germany, France, Italy, Portugal, Austria, and the United Kingdom all show reductions. In these countries, the number of enterprises in 1997 is between 89 and 93 % of the figure value in 1994. Ireland is the most notable exception to the trend as the number of enterprises in Ireland has increased to 136% in 1997 of the value in 1994.

Number of credit institutions, proportion of change 1997/94



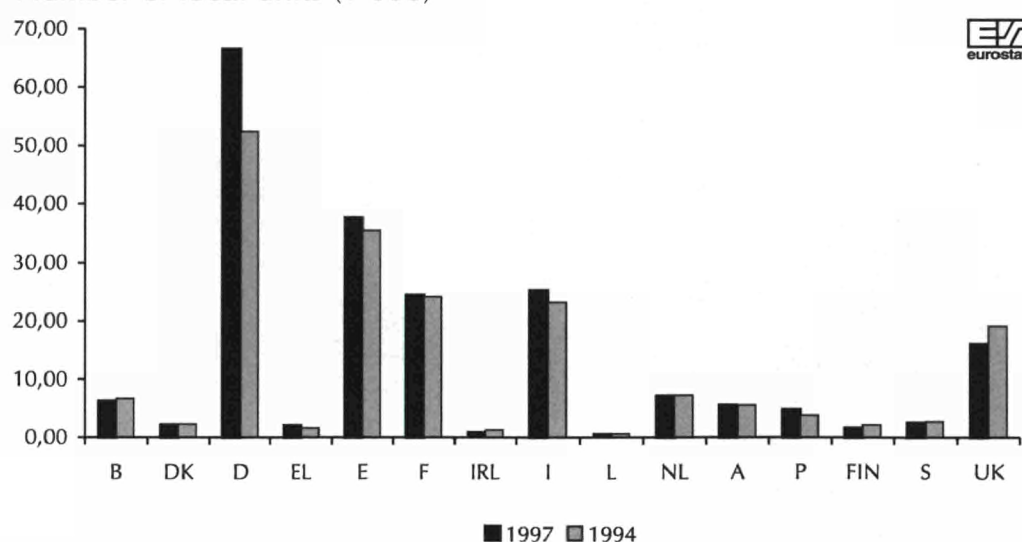
Number of credit institutions in Member States and Switzerland

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EUR-11	EU-15	CH
1997	109	196	3 442	39	307	417	53	935	221	169	914	231	344	124	431	7 142	7 932	395
1994	122	209	3 736	39	316	446	39	1 002	222	173	955	256	349	111	470	7 616	8 445	423

*The number of local units<sup>1</sup> is another variable which characterises the structure of the market*

The number of enterprises has declined in some cases (Belgium, Denmark, Finland, Sweden, and the United Kingdom) and increased in others (Spain, Greece, France, Italy and Portugal). The fluctuation in the number of local units are taking place in a situation where technological developments are continually broadening the structure of banking to include on-line services, telephone banking and payments systems.

Number of local units (1 000)



Number of local units<sup>1</sup> (1 000)

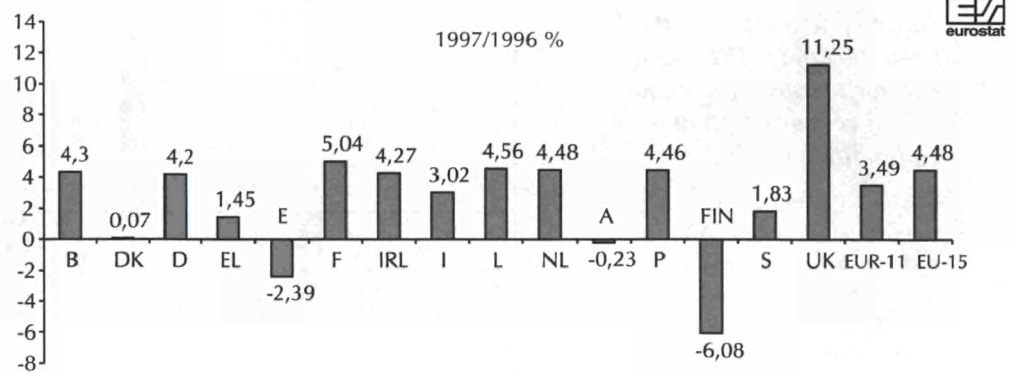
	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EUR-11	EU-15	CH
1997	6,28	2,18	66,61	2,08	37,63	24,42	0,94	25,25	0,61	7,16	5,58	4,86	1,66	2,52	16,03	181,01	203,81	3,42
1994	6,69	2,25	52,44	1,61	35,54	24,15	1,33	23,12	0,63	7,27	5,60	3,84	2,19	2,69	19,17	162,80	187,51	3,80

<sup>1</sup> Local units are normally defined as a part of credit institutions located separately and employing at least one person

**The data of interest and commissions received shows that no distinct European trend is perceivable**

In some Member States interest and commissions have fluctuated slightly (Italy and the United Kingdom), in others variables have remained fairly stable. The reasons for fluctuations may be, in part, due to the value of national currencies changing against the ecu. The growth rate shows how interest and commissions received have changed over time. In the United Kingdom, there has been a rapid increase whereas in Spain and Finland there have been moderate declines.

**Interest and commissions received – Average annual growth rate**



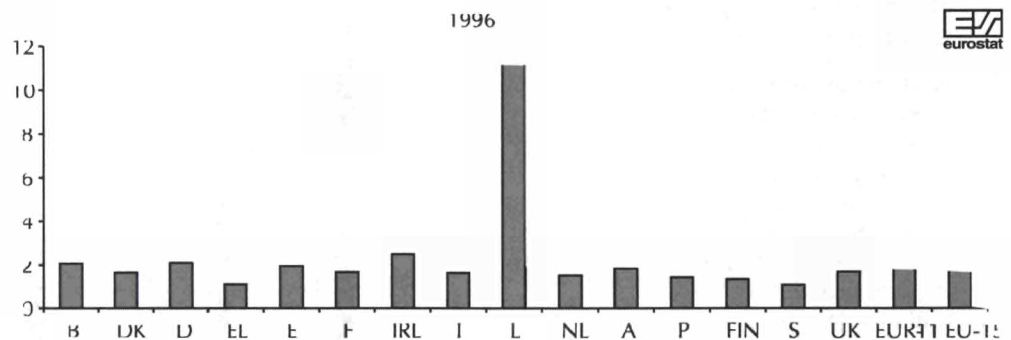
**Interest and commissions received, billion ecu**

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EUR-11	EU-15
1997	53,4	10,7	300,4	10,4	55,4	152,8	8,7	113,8	33,5	41,3	23,0	13,0	5,4	14,3	159,1	801,0	995,6
1994	47,1	10,7	265,5	10,4	59,6	131,8	7,7	104,1	29,3	36,5	23,1	11,4	6,5	13,6	115,6	722,6	872,8

**Banking in employment accounts for between 1 and 2,5% of total employment in most Member States. In Luxembourg, it accounts for just over 11%**

The data show that employment in banking has remained relatively stable between 1994 and 1997. Germany, Spain, France, Italy, the Netherlands and Finland have experienced a slight decline in employment in the banking sector.

**Employment in banking as % of total employment, 1996**



**Employment data, 1994-97**

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EUR-11	EU-15
1	1,00	1,14	1,01	0,91	1,02	1,03	0,69	1,05	0,95	1,03	0,98	1,00	1,21	1,00	1,06	1,02	1,02
2	2,07	1,66	2,11	1,11	1,96	1,68	2,47	1,65	11,26	1,53	1,85	1,43	1,35	1,08	1,69	1,84	1,77

1: Proportional change in the number of persons employed in credit institutions (1997/1994).

2: Employment in Banking as % of total employment, 1996.

## □ IN BRIEF

The **agreements concluded within the international group between 19 P & I clubs**, non-profit-making associations of shipowners, were given the green light by the European Commission on 16 April, under EU competition rules. Through these agreements, the clubs provide their members with protection and indemnity (P & I) insurance, covering damages resulting from collisions and oil slicks, for example. The 19 clubs in question account for 89 % of the world market for this type of insurance.

Since 28 April 1999, and for a period of four years, owners of **vessels which have just come into service on the EU's inland waterways** will have two options. They can either withdraw old vessels from service, for a tonnage calculated according to a formula set by the European Commission, or pay a special contribution to the Inland Waterways Fund. This scheme, which is being established under a regulation adopted by the EU Council of Ministers on 29 March, replaces the one which expired on 28 April. The aim is to reduce fleet overcapacity in this sector.

From 1 January 2001, the **collection of statistics on trade between EU Member States** will be simplified, particularly for small and medium-sized enterprises (SMEs). Firms will have to provide their national administrations with less data, and there will be exemptions for firms which have little activity outside their own frontiers. The European Parliament and the EU Council reached an agreement on 18 March on changes to the Intrastat system, which was introduced in 1993 when customs checks on goods were eliminated at the EU's internal frontiers.

The **monitoring of State aid to firms** should become quicker and more effective, thanks to a procedural regulation adopted by the EU Council on 21 March. It stipulates that the preliminary examination by the European Commission of new aid shall not exceed two months. Should the Commission decide to initiate the formal investigation procedure, a final decision shall be adopted within a period of 18 months at most from the time it is launched. The Commission will be able to suspend aid which had been granted without notification to, or clearance by, the Commission. It may also ask for such aid to be reimbursed, but it will no longer have the right to ask for reimbursement after 10 years.

The EU Council amended on 21 March several **directives concerning animal feedstuffs**, in order to ensure their legal consistency. The directives in question deal with additives and certain products used in animal nutrition, the organisation of official inspections in this field and the registration of certain establishments and intermediaries.

The European Commission and the European Bank for Reconstruction and Development (EBRD) launched on 19 April a **new system of financing SMEs in the 10 central and east European countries that have applied to join the EU**. The sum of EUR 125 million, which has been allocated for this purpose, will be used to make loans and acquire equity participation.

## INITIATIVES

### ● The euro deadline of 2002 remains

It is better not to bring forward the date for the introduction of euro banknotes and coins, set for 1 January 2002. This is the main conclusion of a report drawn up by the European Commission at the request of the EU Council of Ministers and published on 13 April. It was the Belgian Finance Minister who had suggested in January that notes and coins be introduced at an earlier date, but a majority of his fellow Finance Ministers were against the idea. In its report, the Commission points out that firms and government departments have made their preparations in the light of the 2002 deadline, particularly as regards the production of coins and banknotes and adjustments to computers. The choice of an earlier date would therefore pose technical problems and add substantially to costs. The corresponding gains were far from evident, however. Moreover, the date of 1 January 2002 appeared in European legislative texts. If

## A NEW 'CONSTITUTION' SINCE 1 MAY

The Treaty of Amsterdam, the new 'constitution' of the 15-nation European Union, came into force on 1 May. It increases the EU's possibilities of action and gives greater powers to the European Parliament, the only EU institution to be directly elected by European voters. The Treaty came into force, as provided for by the Treaty itself, on the first day of the second month following the last ratification which, as it so happened, was by France on 30 March. However, the EU had already begun to implement the Treaty's employment provisions last year, by adopting the guidelines for 1998 and 1999. The new Treaty gives the European Parliament a greater role in the drafting and adoption of EU legislation on various matters, and, in particular, on the right of establishment, regional aid, transport, vocational training, the fight against fraud, equal opportunities for men and women, and the coordination of national social security systems. The ban on discrimination based on nationality also appears in the new Treaty. From now on, the EU can also take measures against other forms of discrimination, including discrimination based on race, ethnic origin, religion, opinions, handicaps, age and sexual orientation. In addition, the Amsterdam Treaty reinforces cooperation among the Fifteen at the level of the police and judiciary in such areas as crimes against children, corruption and terrorism. It brings the activities of the 10-nation Schengen group, whose aim is the elimination of checks at the Union's internal borders, within the scope of the EU. The Treaty also furthers the common foreign and security policy, and gives the EU increased means for dealing with immigration and refugee problems.

it were to be changed, firms and organisations which felt they had suffered injury as a result could take legal action against the EU. The report stresses that the time allowed is hardly excessive, if SMEs, local administrations and private individuals are to be allowed to prepare properly for the introduction of euro notes and coins.

### ● State aid: falling but very substantial

State aid in the EU as a whole amounted to nearly EUR 38 billion a year for the manufacturing industry alone between 1995 and 1997. However, this is also the sector in which State aid fell as compared with the period from 1993 to 1995. Such aid was highest in Greece and Italy, as a percentage of value added, and lowest in Sweden and the UK. This, and other information, is to be found in the European Commission's seventh annual report on State aid, adopted on 30 March. State aid exceeded EUR 95 billion a year if account is also taken of aid to agriculture, fisheries, collieries, transport and financial services, the last being the only sector to witness a rise in State aid. On the basis of its findings, the Commission has concluded that strict control of State aid, through the application of European competition rules, remains a priority, in order to prevent such aid from undermining the benefits offered by the single market and the euro.

## □ IN BRIEF

The **European Central Bank (ECB)** reduced its main interest rate, the refinancing rate, on 8 April from 3 % to 2.5 %. This was the first time that the ECB had changed its interest rates since 1 January, when it assumed responsibility for the monetary policy of the euro zone. This move should stimulate economic growth in the EU. On the same day, the Bank of England reduced its main interest rate from 5.50 % to 5.25 %. The UK is not part of the euro zone.

At the end of last year, 29 % of EU firms were engaged in **electronic commerce on the Internet**, against only 6 % in 1996, according to the European Information Technology Observatory (EITO). While the proportion should rise to 47 % at the end of this year, the majority of firms are taking a wait-and-see attitude. These figures were given during a workshop devoted to the industrial aspects of electronic commerce, organised by the European Commission on 8 April.

The UK Agricultural Minister, Nick Brown, announced on 26 March **an end to the quarantine system for domestic animals** entering the UK from countries which are free of rabies. The measure, to come into force by April 2001, will facilitate the free movement of the owners of dogs and cats, for example, between the UK and other EU countries.

Statistics on the **production, sales and foreign trade of industrial goods in the EU and each of its Member States** are now available on a CD-ROM produced by Eurostat, the Statistical Office of the European Communities, and the statistical institutes of the 15 Member States. Entitled 'Europroms', the CD-ROM covers the years from 1993 to 1995, as well as the first six months of 1996. It is on sale at the Office for Official Publications of the European Communities, 2, rue Mercier, L-2985 Luxembourg, and is priced at EUR 2 000.

The European Commission proposed on 31 March that **firms in the private or public sector, which are active simultaneously in both an area open to competition and one that is reserved**, keep separate accounts for these activities. This would allow the Commission to check on the additional costs incurred by firms in providing reserved services, and on how these costs are covered by the State. Separate accounts would also reveal possible public aid in support of the firm's competitive activities.

Should the EU allow European competition rules free play, or should it provide a legislative framework, in order that electricity which is fully competitive within the European single market is produced from **renewable energy sources**? This is the key question posed by the European Commission to the EU Council and the European Parliament in a document published on 13 April. Renewable energies, which are the most 'ecological', account for only 3 % of electricity in the EU, if one excludes large hydroelectric power stations.

## SEEN FROM ABROAD

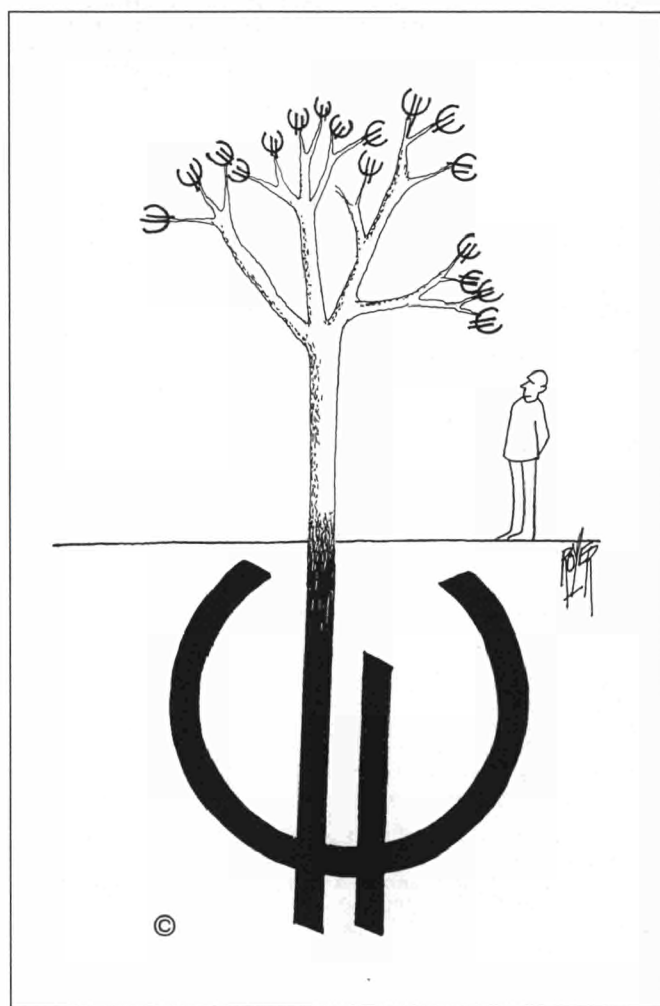
### ● The Berlin agreement is well received

The agreement on financing the EU, reached at the Berlin European Council (see page 2), has been well received by central and east European countries seeking to join the EU. On 26 March the Hungarian Foreign Affairs Minister, Janos Martonyi, underlined the importance of the event, which he saw as a very welcome development for his country. 'We are delighted,' declared Ewa Haczyk, the spokeswoman for the team which is negotiating Poland's entry into the EU. 'The Agenda 2000 programme of reforms was necessary for the EU's enlargement,' she added. For his part, the spokesman for the Estonian Foreign Affairs Minister, Vahur Soosaar, declared:

'Estonia salutes this summit and Agenda 2000, because we now have the financial framework for enlargement.'

### □ IN BRIEF

**Albania**, which has been hard hit by the events in Kosovo, will ask the EU to conclude an association agreement with it. A statement to this effect was made by the Albanian Foreign Affairs Minister, Paskal Milo, on 19 April. He asked the ambassadors of the EU countries in Albania to help 'facilitate Albania's rapid entry into the EU', adding, 'The usual criteria for entry into the EU must not be applied.'



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