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TOURISM : Ten indicate interest in developing new sector

Until recently, the European Community has shown only a minor interest in the development of tourism. For the first time, however, the new Commission includes a member who will be entirely responsible for this sector, namely the new Greek Commissioner Mr. Kontogeorgis.

The Commission's interest in this sector is not however completely new. It was some years ago that the Commission realised the role tourism could play in regional development, and began to look - albeit indirectly - at the development of this sector. The Regional Development Fund, for instance, has participated in a number of investment and tourist infrastructure development projects. Moreover, a programme of specific research is currently looking at the way tourism and agriculture can contribute to the solution of the problems of rural zones, especially the question of rural exodus. But the fact that a member of the European Commission has been asked to take charge of this specific sector could mean new initiatives in the coming months ...

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STEEL INDUSTRY : Need for restructuring

The European steel industry was formally declared to be in a state of "manifest crisis" in October 1980. This was the first official recognition of a situation which has in fact existed for several years.

The sector came in for ministerial scrutiny once again on March 3 at a meeting of the Community's steel ministers held in Brussels. It is clear that the future of the steel industry is really at stake : any solution found by the Ten will have to prevent the return to a state of anarchy in the sector. A temporary solution found by the Ten calls for the imposition of production quotas until June 30 this year, on every steel-producing unit.

The slapping on of production restrictions could appear to be a strange way of dealing with an ailing sector which is in dire need of stimulation. But production is only one side of the story : steps also have to be taken to ensure that products find market outlets both within the Community and outside it. The main cause of the current slump in the steel industry is the deterioration of the competitive position of European steel products on international markets and the reduction in home consumption since 1974.

The current imbalance between demand (including exports) and the production capacity of the European Community's steel industry means that the actual utilisation of the EEC's steel production capacities fell from 80 % in 1974 to about 55 % in 1980. This was accompanied by the loss of about 200,000 jobs. Today, the European Community produces about 130 million tonnes of crude steel per year, that is about 40 million tonnes less than its real capacity. Most producers are currently suffering from the problems created by this excess production capacity.

The objectives of the EEC's steel restructuring policy are very simple : the reestablishment of the competitiveness of Community steel industry on the international level, ensuring the profitability of steel firms, and the maintenance of employment.

Moreover, the European steel industry has lagged behind the Japanese industry for about twenty years now. On an average, a European factory producing all types of steel manufactures about 2.3 million tonnes per year, while a Japanese firm can produce up to 3.8 million tonnes of steel per year. Investments are required to rationalise production, particularly through the introduction of new technologies.

AGRICULTURE : EEC production of fruit and vegetables stagnating

The European Community's production of fresh fruit and vegetables in 1979, including crops for processing, represented 11.9 % by value of final agricultural production, the same as in 1978 and rather less than in 1977, according to a recent European Commission assessment of the situation of EEC agricultural markets.

Italy, with 52 % of Community fruit production and nearly 45 % of Community vegetable production, is by far the largest producer among Member States. Second place goes to France, with 20 % for fruit and 19 % for vegetables, while the third most important producer is Germany for fruit (17 %) and the United Kingdom for vegetables (15 %).

Commercial fruit production in the Community in 1979 amounted to 17.7 million tonnes, a drop of 1.2 % over 1978, but still close to the average figure for previous harvests.

Apple production, which accounts for 38 % of total fruit production, produced a harvest which was 2.6 % lower in 1979 than in 1978. The harvest for pears was 6.4 % lower in 1979 than in 1978. While production seems to be rising in the United Kingdom, France and Denmark, a marked drop in harvest has occurred in Italy and Belgium. The peach harvest in 1979 showed no change for the Community, but rose by about 2 % in Italy.

Commercial vegetable production in the whole Community reached 24.4 million tonnes, down just over 1 % on the 1978 total. Output declined in Germany, Italy, the United Kingdom and Denmark, showed no change in France, and rose a little in Belgium and the Netherlands.

Domestic consumption of fruit in the Community amounted to 24.3 million tonnes, an increase of 8.8 % over the previous year. Domestic consumption of vegetables, at 29.8 million tonnes, shows a fall of 1.5 % compared with 1977/78.

The Community meets 94.1% of its internal requirements for vegetables, 77.1% for non-citrus fruit and 40.6% for citrus fruit.

Imports are, however, still necessary. In 1978/79, the Community's total imports of fresh fruit amounted to 4.5 million tonnes, a rise of 0.6% over 1977. Oranges, of which the Community imported 1.8 million tonnes in 1978/79, were by far the predominant import, since apples, which occupied second place, accounted for only 0.36 million tonnes. Fruit exports from the EEC were just over 0.6 million tonnes and included apples, lemons, and peaches.

Imports of fresh vegetables totalled 3.1 million tonnes, a decrease of 3.9 % on 1977/78, while exports, which fell by 6.9 %, amounted to 1.25 million tonnes.

Intra-Community trade in fresh fruit and vegetables was also substantial. Although the quantity of fruit traded did not equal imports from non-member countries, it nevertheless totalled 3.5 million tonnes. Apples were the main product traded in this way, followed by peaches.

Intra-Community trade in vegetables, on the other hand, totalled 4.6 million tonnes, approximately 1.5 times the quantity imported from non-member countries. These figures are about 7 % up on 1977/78 and maintain the positive annual rate of change which has marked the past few years.

ENVIRONMENT : Eliminating toxic wastes

The development of nuclear power stations has focussed public and government attention on the problem of eliminating radioactive waste. But the question is of secondary importance, compared with the wider-ranging need to eliminate toxic wastes created by our different industries. A directive fixing rules and regulations for the elimination of toxic wastes was adopted by the Community's Environment Ministers on March 20, 1978. This directive required each Member State to draw up an annual report on its national situation on the question of waste elimination. The first reports should be forwarded to the Commission during the course of the year.

The Commission will, then, look at the possibility of recommending new common criteria applicable to the stocking, dumping, transport and export or import of dangerous and toxic waste. These provisions will complete the 1978 directive, with a view to ensuring greater protection to both mankind and his environment.

However, it is clear that complete harmonisation will be difficult in this sector, given the different situations existing in the Member States. Because of its unusual hydrogeological makeup, for instance, the Netherlands has no provisions for the dumping of industrial toxic waste on its territory. The country sends its waste to other Member States, in keeping with specific agreements on waste elimination.

ENERGY : Tackling the current crisis

The idea of an "oil bank" was launched by the European Community's Ministers for Energy at their meeting in Brussels, March 3. Such a "bank" would be composed of joint stocks to which the Ten, and other members of the International Energy Agency, such as Japan and the United States, would have access if their own national oil reserves fall below a certain level.

The European Commission has been mandated to look at the possibility of setting up such a bank and to report back to the Council of Ministers in June.

The situation on international oil markets seems less gloomy today than some months ago. This is essentially because of an increase in Saudi Arabian oil production, which is currently estimated at 10.3 million barrels per day (instead of 9.5 million barrels last year), and the resumption of Iranian and Iraqi oil exports.

But the considerable reduction in the Community's oil consumption has also played a part in alleviating market tensions. According to European Commission estimates, oil consumption in the Ten Member States was 9 % lower during the first three months of 1981 compared to the corresponding months in 1980. For 1980 as a whole, the Community registered a 7.6 % reduction in oil consumption, a 1.4 % fall in consumption of natural gas, and a cut-back in coal utilisation. On the other hand, the production of nuclear energy increased by about 15 %, essentially because of the expansion of nuclear energy production in France.

However, oil continues to account for 53 % of total energy consumption in the Community. This is why Member States continue to be vigilant on this front and are looking for measures allowing them to deal with any temporary stoppage in oil supplies, or even any future oil shortages. EEC Energy Ministers indicated that the current situation is satisfactory but that Member State solidarity should be increased by the introduction of a mutual assistance system, such as the proposed oil bank. The Council also looked at the European Commission's report on the progress made by the Community in attaining the energy objectives fixed for 1990. These objectives are : reduction of oil imports; increased use of solid fuels and nuclear energy in power stations; and rationalisation of energy consumption. Despite recent progress, the Council felt that efforts in these areas should be intensified in several Member States, particularly as regards energy conservation, both in the domestic, industrial and transport sectors.

IN BRIEF ... IN BRIEF ... IN BRIEF ... IN BRIEF ... IN BRIEF ...CONSUMPTION : Potato Loses ground

The consumption of potatoes in the European Community has gradually fallen by 25 % over the past twenty five years. From a record 106 kg of potatoes consumed per head in 1955/56, consumption fell to 87 kg in 1969/70 and 79 kg in 1978/79. This reduction in the consumption of fresh potatoes was partially compensated for by the increase in consumption of processed potatoes (frozen or powdered potatoes, etc.).

In step with the evolution of demand, Community production of potatoes has also fallen. In 1980, the potatoe harvest was estimated at 33.5 million tonnes, that is a 27 % reduction compared with figures for 1970. This production is, however, high enough to meet 100 % of the Community's potato requirements.

TECHNOLOGY : European aid for data-processing

The European Community has just taken its second decision on the granting of aid for the realisation or practical implementation of data-processing projects. Tender notices were published in the official Journal of the EEC, number C 48, of March 7, 1981.

This aid can meet half of the cost of a project, or in some cases the total costs in the case of projects undertaken jointly by firms originating in at least two different member countries. The aid takes the form of subsidies or loans.

Requests for EEC assistance should be made before June 1, 1981. The choice of projects will be made during the second half of the year.

RESEARCH : Working for European integration

For research assistants and students looking for a subject for a thesis, the process of European integration constitutes an endless source of inspiration. The European Commission, for its part, gives active support to research by facilitating access to sources of documentation and by giving scholarships and helping in the publication of doctorates.

The Commission has just published a list of "University studies on European integration" undertaken during 1980. The list was drawn up on the basis of research undertaken in more than 400 universities in 25 countries, and includes some 1,200 titles of such studies.

The inventory, divided into four long chapters, includes indexes of authors, research directors, universities, institutes and research centres. It gives an idea of the evolution of studies into European integration in countries which are not Members of the EEC, such as Japan, China and the countries of Eastern Europe. The inventory is currently on sale at the European Community's Office for Official Publications, 5, rue du Commerce, Luxembourg, P.B. 1003 at 800 Belgian francs (€ 10.6).

TRADE : French bread in the Netherlands

The European Court of Justice has just given its backing to a Dutch firm, Kelderman, which was taken to court in its own country charged with violating a national food law. The firm specialised in the import of French bread. Its speciality included selling "brioches" under the name of "eierbrood" (eggbread). The bread did not, however, meet with the requirements fixed by the "Broodbesluit" of 1975 which calls for a minimum amount of dry matter in the bread. Asked to appear in court, Kelderman stressed that this law was contrary to the provisions for free movement of goods within the Common Market. The Court of Justice, consulted by the Dutch judicial authorities, has just supported the firm's claims : the 1975 legislation is indeed a measure equivalent to import restrictions which are banned under the EEC Treaty. The Dutch can therefore continue to eat French brioches for breakfast.

ENVIRONMENT : Towards the setting up of a European environment fund ?

The European Parliament has called for the creation of a European environment fund for some years now. The main objectives of the fund would be the promotion of clean or relatively clean technologies, the protection of nature, the encouraging of recycling and the reutilisation of material, as well as education and information on environmental questions.

The idea of setting up such a fund seems to be making progress. The new European Commissioner responsible for the environment, Karl-Heinz Narjes, recently told a Parliamentary committee that he would insist on procuring credits for the fund in the 1982 budget. It is estimated that these could amount to between € 2.6 to € 4.2 million.

