

EUROPEAN COMMUNITY NEWS

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COMMISSION OF THE EUROPEAN COMMUNITIES

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SIMONET TALKS ON ENERGY AND THE COMMON MARKET

A unified European Community approach must be taken in dealing with the consequences of Europe's oil crisis, Commission Vice President Henri Simonet, responsible for energy matters, told newsmen at a December 20 press conference. If the Council of Ministers does not act promptly on the Commission's energy proposals, Simonet said, the Commission should nevertheless proceed with its proposed work program. Under the program, information would be submitted by the Member States on oil stocks, imports, and exports, as well as energy consumption, by January 15, so that an EC energy balance-sheet can be drawn up. The Commissioner suggested that, since the proposal had not yet been adopted, Member States might provide the necessary data on a voluntary basis.

Simonet also said he was in favor of US Secretary of State Henry A. Kissinger's plan for establishing cooperation among the world's oil consuming countries. On the subject of multinational corporations, he stressed that a permanent dialogue with these companies is necessary. He noted that the oil companies had played a stabilizing role in the crisis by selling oil directly to their customers, instead of to the states.

OIL SUPPLY PROBLEMS OF INDEPENDENTS SCRUTINIZED

Extreme difficulties experienced by Europe's independent petroleum products distributors in obtaining enough oil to stay in business during the current oil crisis has prompted a European Commission decision to launch an investigation into the supply operations of large oil companies. Announcing the investigation on December 21, the Commission said companies refusing to supply independent distributors on an equal basis with larger firms would be subjected to application of the Community's competition regulations, as defined in the Treaty of Rome.

EC CUSTOMS PROCEDURES: UNIFORMITY PROPOSED

Customs operations in the Common Market will work more smoothly if the Council of Ministers adopts the European Commission's January 7 proposal for harmonizing and simplifying customs procedures. The proposal calls for harmonizing the different procedures for customs clearance of goods and the elements of taxation (kind, quantity, origin, and value) used by Member States in applying customs duties and agricultural levies.

EC SETS 1974 GENERALIZED PREFERENCES

Preferential exports to the European Community from the developing countries will increase sharply with the introduction of the 1974 EC generalized preference system for developing countries, adopted by the Council of Ministers on December 18. This is the first year in which the three new Member States (Britain, Denmark, and Ireland) will participate in the Community system.

Under Community preference, the overall volume of preferential exports to the Community will increase by approximately 40 per cent over the figure which would have resulted if the 1973 system for the "Six" had been applied to the "Nine" this year. The capacity set for developing country preferential exports to the Community amounts to about 2 billion units of account (UA) for industrial products, UA 500 million for textile products, and about UA 218 million for processed agricultural products. (One UA equals one 197 dollar.)

EIB HELPS EXPAND TELEPHONE SERVICE IN IRELAND, ITALY, AND FRANCE

Ireland will have a modernized and extended telephone service with the help of a European Investment Bank loan of 15.3 million units of account (UA). (One UA equals one 1970 dollar.) The 20-year loan will be used by the Irish Department of Posts and Telegraphs to finance the first stage of a 5-year program to provide 34,000 new subscriber connections, automate and improve telephone exchanges and set up a new international exchange to improve communications with Europe.

The project will help raise Ireland's telephone density, the lowest in the Community (12 per 100 people), to a level on a par with the other Member States. The ratio in the rest of the Community ranges from around 19 per 100 in France and Italy, to almost 36 in Denmark. Ireland's automation rate (85 per cent) will also be brought closer to the other members' average of 96 per cent.

The EIB has also recently granted loans to aid telecommunications development projects in France's Poitou-Charentes region (UA 25 million) and in Italy's Calabria region (UA 29.7 million).

COMMON STANDARDS FOR AUTO LIGHTS PROPOSED

Common standards and specifications for lights on European Community motor vehicles and trailers have been proposed to the Council of Ministers by the Commission. The proposal, which would harmonize relevant Member State legislation, sets requirements for proper installation of lighting, establishes which lights are forbidden or optional and lists a series of specifications concerning placement, visibility, direction, allowable groupings, and electrical connection of lights. A Community approved car, according to the proposal, should have, at a minimum, headlights with low beam, red tail lights, along with signal, stop, rear and front parking, and rear license plate lights. Rear reflectors and an emergency signal light would also be required.

Community action already taken in the motor vehicle sector includes directives on brakes, air pollution, and admissible sound levels.

EC-BRAZIL
TRADE
AGREEMENT
SIGNED

A non-preferential trade agreement between Brazil and the European Community was signed on December 19. The three year agreement is the third such accord concluded between the Community and a Latin American country. Agreements already exist with Argentina and Uruguay.

General trade provisions of the agreement call for reciprocal granting of most-favored-nation treatment concerning customs duties, taxes and regulations on imported and exported products, and for liberalizing imports and exports without discrimination. Regarding tariffs, the Community stated its willingness to make periodic examinations of the system of generalized preferences to take account of Brazilian interests.

The agreement also includes specific provisions on certain key Brazilian products such as cocoa butter, soluble coffee, beef, and cotton textiles, and sets rules for EC exports to and investment in Brazil, maritime transport, and agriculture.

A joint committee will be established to supervise and arbitrate the operation of the agreement.

EC-INDIA
CONCLUDE
COMMERCIAL
COOPERATION
AGREEMENT

The European Community concluded its first trade agreement with an Asian developing country, with the signing of the Commercial Cooperation Agreement with India, December 17. The agreement will provide a framework for expanding trade and for intensifying economic cooperation between the two parties. The accord's basic aims include agreement on both sides to: develop commercial exchanges; improve the balance of trade; grant each other most-favored nation treatment in accordance with the General Agreement on Tariffs and Trade; liberalize the flow of imports and exports, and promote the development and diversification of each other's imports.

Sectoral agreements on EC-Indian trade in jute and coir products were also signed on December 17. They provide for tariff suspensions by 40 per cent in 1974, which would be increased by up to 60 per cent during 1975. Jute and coir imports will continue to enter Britain and Denmark duty-free during 1974. The suspensions will be carried out in the framework of the Community's Generalized System of Preferences.

EC-"THREE"
APPROACH
COMMON
EXTERNAL
TARIFF

On January 1, the European Community's three new Member States (Britain, Denmark, and Ireland) brought their tariffs on third country imports 40 per cent closer to the Community's common external tariff (CET). At the same time, the CET began being applied to products entering the "Three" which are covered by the terms of the European Atomic Energy Community and the European Coal and Steel Community.

Intra-Community customs duties between the "Three" and the "Six," reduced by 20 per cent in 1973, underwent an additional automatic 20 per cent cut on January 1. These duties will be eliminated completely by the end of 1977.

EUROPE SEEKS
INDEPENDENT
COMPUTER
INDUSTRY
CAPABILITY

The European computer industry should become less dependent on the United States, according to an EC Commission communication to the Council of Ministers regarding a Community Policy on Data Processing. More than 90 per cent of Europe's computers now rely on US technology. IBM alone controls 60 per cent of the world market.

The Commission estimated annual computer industry growth over the next decade at 15 per cent in the United States, 20 per cent in Europe and 30 per cent in Japan. In 1970, industry turnover was \$10.65 billion in America, \$3.9 billion in Europe. Projections for 1980 are \$36.6 billion and \$12.85 billion respectively.

In its proposals, the Commission noted that European firms are not big enough to compete with American firms without "government intervention." To gain access to "advanced markets" in the United States and Japan as well as Europe, the Commission calls for Community financing of major data processing projects with international applications, such as air navigation control and environmental surveillance, or which answer collective European needs, such as maintaining social security records.

The Commission also said there should be a Community program for the industrial development of data processing and for collaboration between Member States in purchasing policy, standards, and applications.

EIB
DOLLAR
BOND
ISSUE

The European Investment Bank has concluded a contract for a 30 million US dollar bond issue with an international syndicate of banks in the Community and Switzerland. The fifteen-year bonds will be offered to the public at 98.5 per cent and will yield 8.5 per cent annually and 8.68 per cent overall. Proceeds from the bonds, to be sold on the Luxembourg, Milan, and New York stock exchanges, will be used by the EIB to finance its regular lending operations.

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