

### 3.4 EUROPEAN COMMUNITY (EC) - ORGANIZATION

**T**he 12 member states of the EC (Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and the United Kingdom) are engaged in the process of completing their internal market. The current exercise will remove all remaining internal barriers to the free movement of people, capital, services and goods. The resulting single market, which should be largely achieved by the beginning of 1993, would have a combined population of 330 million people and 25% of the world's GDP. ● ●

To encourage European companies to work together in developing new technologies, the Community has developed complementary research and development programs to those of their member states to support the need for common standards and the economic integration brought about by the completion of the single market. While the amount of funding is relatively modest in percentage terms (only 2% of total R&D spending in Europe) for the last years, it has an important catalytic effect, in promoting transnational co-operation, and in some sectors, especially in enabling technologies, such as telecommunications and information technology, Community contributions represent a large percentage of total funding available.

Total R&D expenditures of the EC R&D programs is approximately 2 billion ECUS a year which represents only 50% of total funding as most programs are cost-shared. The current instrument used for EC R&D activities is the Framework Program of Research and Technological Development. The first one started in 1983 with major programs such as ESPRIT. The third one is being approved by the Ministers of Research of the 12 members and will be in place for the next 5 years with a budget of approximately 10 billion ECUS (i.e. \$14 billion Canadian dollars).

#### TECHNOLOGY TRENDS

The current priorities are:

- information technologies and telecommunications with, for example: ESPRIT II (budget of 3.2 billions ECUS);
- modernization of industrial sectors with materials research, technologies, production and aeronautics;
- environment with a budget doubled for this sector in the new framework program - including participation in the global change programs;
- life sciences and technology with three new programs: biotechnology and agro-industrial research as well as biomedical and health research and human genome research programs in addition to a major action in the social programs of the EC (outside of new research program) for AIDS and cancer;
- energy, which has always been a strength of the EC especially in thermonuclear fusion program; this sector is however receiving a slight decrease in budget.