

(98/C 304/155)

WRITTEN QUESTION E-0435/98**by Leonie van Bladel (UPE) to the Commission***(24 February 1998)*

Subject: Supporting European security policy by rebuilding the Yugoslav economy

Does the Commission agree that preserving peace and stability in the Balkans is in the security interests of Europe, that the Federal Republic of Yugoslavia has a role, of one kind or another, to play in this process, and that — even though the country is not democratically governed — the leadership of the Federal Republic of Yugoslavia cannot fulfil this role unless it has adequate support from its own people?

Does not the Commission think that the international community's prolonging of the financial and economic isolation which has been imposed on Yugoslavia for some time now, combined with the country's inadequate domestic economic policy, amounts to a policy of impoverishment, for which most people in the country blame the international community, and that there is therefore a lack of broadly based support for the policy which Europe wishes to pursue, and that the authorities, for internal political reasons, have only limited room to manoeuvre?

In the light of the above, is the Commission prepared to urge authorities such as the World Bank and the IMF to provide the Federal Republic of Yugoslavia with the necessary investment capital and, where needed, the know-how to invest this capital rationally, or, if these institutions are unwilling or unable to help, to promote the recovery of the Yugoslav economy by other means, so that the people will begin to trust the objectives of the international community and perhaps subsequently also come to trust political views based on the European way of thinking?

Answer given by Mr Van den Broek on behalf of the Commission*(24 March 1998)*

The ongoing crisis in Kosovo, and the fear of regional spillover, clearly demonstrate the important role to be played by the Federal Republic of Yugoslavia (FRY) regarding the stability of the Balkans. Unfortunately, it also demonstrates the unwillingness of the authorities in Belgrade to assume their responsibilities in this regard.

The deteriorating state of the Serbian economy cannot be blamed on the international community or on 'continuing effects' of previous sanctions but is, rather, the result of the failure of the authorities in Belgrade to implement the necessary economic reform measures and to comply with the relevant political and economic conditions which are attached to financial support from either the international financial institutions or the Community. It also demonstrates that the FRY leadership hardly feels the need of support from its own people.

The Commission remains ready to propose the reinstatement of the autonomous trade preferences, or the inclusion of FRY in the PHARE programme as soon as the relevant political and economic conditions are met. These conditions, which also apply to the other countries covered by the regional approach, include respect for the fundamental principles of democracy and human rights, internationally recognised standards which are not negotiable. Compliance with these conditions is, moreover, in the interests of the Serb population, whose needs are not currently being given due regard by their political leadership.

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WRITTEN QUESTION P-0437/98**by Mark Watts (PSE) to the Commission***(16 February 1998)*

Subject: Duty-free concessions

As the Commission has stated many times that tax-free and duty-free sales within the EU will be abolished as planned in mid-1999, would it confirm the date by which it will present the draft directive required to establish the alternative VAT and excise duty schemes which will need to be implemented in all Member States to ensure that the various ferry and airline routes serving non-EU destinations will be able to operate smoothly after abolition?