

Fuel protests sweep across Europe

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Spain is the latest country to be hit as a wave of protests against high fuel prices has spread to France and Portugal.

The price of diesel has risen to €1.30 a litre, up from €0.95 a litre a year ago, and in other European countries prices are as high as €1.50 a litre—equivalent to US\$9 a gallon. In recent days, oil prices topped a record US\$139 per barrel, and investment bankers Goldman Sachs say the price could rise to US\$200 over the next year.

On Monday, the Spanish National Federation of Transport Associations (Fenadismer), which represents 70,000 truck drivers, began an indefinite strike joining a second group, the Platform for the Defence of the Transport Sector, whose members stopped work last week. The larger Spanish Confederation of Merchandise Transporters, CETM, has not joined the strike. Most drivers in Spain are self-employed or work for small and medium-sized haulage companies.

Truckers' leaders warned that the strike could bring the country to a standstill if the Spanish Socialist Workers Party (PSOE) government failed to set a minimum price for transport services, adjust contracts to reflect fuel price increases and lower taxation on fuel.

"We are the ones who move the goods that this country needs to keep working," said Fenadismer president Julio Villascusa, "If we stop because we haven't got the money to buy fuel, then the country will stop."

Villascusa accused the government of proposing measures "already in existence for years" at talks that broke down on Monday. Prime Minister José Luis Rodríguez Zapatero had offered truckers emergency loans, more flexible contracts and cash payments to encourage older lorry drivers to retire. Zapatero said that the government is "clearly sensitive" to the problems brought about by fuel price rises, but "they were, as was their obligation, prepared to face the consequences of the strike action."

A posting on the Internet from a British driver who works for a small Spanish haulier said, "Whilst many in Europe may disagree with our actions they must understand that we simply cannot continue unless something changes dramatically. Fuel costs have increased by more than 20 percent this year, but the rates paid have not increased. The company I work for runs just three trucks internationally and to fill them up now costs just under 2,000 euros—a year ago it cost about 1,470 euros.

"We continually hear from the government in Madrid and the [European Union] in Brussels that they are trying to resolve the problem. The problem is we are running out of time whilst they sit on their fat behinds on six figure salaries telling us what we can and cannot do."

The truckers' protest led to traffic jams several miles long at the main border crossings between Spain and France, and brought chaos to many cities including Madrid and Barcelona. Huge queues have formed at petrol stations, and many are running out of fuel. Antonio Onieva, president of Madrid's station owners' organisation, says that by early evening on Monday, 15 percent of the capital's outlets had sold out and Catalonia's owners' federation president Manuel Amado said 40 percent of its 1,714 stations had been forced to close. The strike is also beginning to affect food supplies as truckers blockade access to wholesale markets including Mercamadrid, the main food market supplying the capital.

Spain has been particularly hard hit as soaring fuel prices coincide with the sharpest economic downturn in nearly two decades, particularly in the residential construction sector on which it relied during the boom years. The most recent International Monetary Fund forecast suggests economic growth will fall from 3.8 percent last year to 1.8 percent this year—one of the biggest drops among developed nations—and that inflation will rise to 4 percent. The European Economic Forecast reports, "Record levels of corporate and household debt.... And with ample, cheap credit no longer available, a severe correction is likely."

The truckers' protest in Spain is one of many across Europe over the last few weeks. On May 28, there were fuel protests in Bulgaria when 150 truck and bus drivers converged in a convoy on the outskirts of Sofia. At the beginning of June, Italian and Spanish fishermen went on strike and French fishermen blockaded the port of Cherbourg, preventing ships and yachts from leaving.

French truckers have also become involved in the protests. Some 200 trucks converged on the four main motorways leading into Bordeaux on Monday morning, causing 30 kilometres of queues. Union official Jean-Claude Ferrand told reporters, "We have no more solutions. We can't afford diesel any more. It's as simple as that."

"We are demanding immediate measures" to counteract the impact of high fuel prices, said Jean-Pierre Morlin, president of the European trucking organisation for the Aquitaine region.

Drivers in Spain's neighbour, Portugal, have blocked the entrances to several factories and threatened to "paralyse" the country. According to industry figures, some 40,000 truckers serve an estimated 5,000 firms in Portugal. In Italy, Confrasperto, the umbrella group for most of the seven Italian truck drivers' unions, said it is considering more stoppages. Last December, Italian truckers almost brought Italy to a standstill after a three-day nationwide strike that left most petrol stations dry and hit

production at Italy's largest manufacturer, Fiat.

The UK has also experienced a series of protests against rising fuel prices over the last few weeks. There have been "go-slow" demonstrations by truckers in London. Manchester came to a halt on June 5 when 500 bikers took to the streets, and drivers protested in Scotland this week calling for £1 billion "windfall" tax on North Sea oil to bring down the cost of fuel at the pumps. David McCutcheon, managing director of transportation firm Bullet Express, who organised the protest, said it could be repeated on a weekly basis with a full-scale strike a possibility.

He added, "The rising fuel prices are having a really heavy, sore impact on a whole range of businesses and on people's livelihoods.... If we do down tools, Scotland would grind to a halt in a day."

There have also been up to 150 protesters outside Shell's Stanlow oil refinery, where the fuel protests started in 2000 when oil was \$34 a barrel. During that dispute, petrol stations ran dry and supermarket shelves emptied. Then-Prime Minister Tony Blair assumed emergency powers, put army tankers on standby and placed hospitals on a special red alert.

An Internet campaign has been launched calling for a national day of protest on June 22 against further fuel price rises and an increase in fuel duty planned for the autumn.

The transport strike in Spain comes as a strike by the country's fishermen enters a second week, with reports that smaller boats have joined the action. With marine diesel prices going up by 320 percent in the past five years and 30 percent since January, many fishermen can no longer afford to take their boats out and say they face bankruptcy.

Fishermen in Italy and France have also been on strike and have threatened to walk out again if the EU does not resolve their problems soon.

Last week, close to 5,000 fishermen from Spain, France and Scotland demonstrated outside the Ministry of Agriculture in Madrid waving banners reading, "Cheap Fish, Expensive Diesel: No More Speculation." The protest followed an earlier demonstration in Brussels, which saw windows smashed and cars overturned.

"Compliance is total. The entire Spanish coast is at a halt," said Jose Caparros, a spokesman for the fishing industry in Barcelona. Now, there are plans to blockade harbours and stop imports. "From Monday we are going to control the entry of refrigerated containers and everything inside them," said David Lomba, a 27-year-old fisherman. When asked by a reporter how the fishermen would do that, Lomba said, "By every means possible. They shall not pass."

The Spanish Fisheries Confederation (SFC), which represents 1,400 fishing companies employing 20,000 people, is seeking talks with the government. SFC Secretary General Javier Gavat said, "This is the worst crisis in the industry in 100 years. We are demanding a workable plan with short, medium and long-term measures," including government action to bring down fuel prices, tax breaks and increased subsidies.

Gavat said the strike could see markets empty of fresh and frozen fish by June 16, adding, "People can't take any more.... I expect that the European fleet will be tied up for the next 15-20

days."

The Spanish fishing industry has undergone radical restructuring, which has seen many families that have fished for generations give up the business. Nevertheless, it remains the largest fishing fleet in Europe and many of Spain's poorer regions are heavily dependent on the industry, especially Galicia (which accounts for 47 percent of Spain's fishing), Andalusia, the Basque Country and the Canary Islands.

With fuel prices being driven to record levels primarily by speculation, the Europe-wide policy of levelling high fuel taxes is making things even worse. Higher taxes were part of a general policy of financing tax cuts on business and high earners towards indirect taxation on the sale of goods and services, which falls heavily on working people. In the case of fuel, it now threatens sections of industry, and haulage in particular, with bankruptcy.

EU heads of state and government, slated to meet in Brussels on June 19 and 20, are expected to discuss several policy options, including tax cuts. French President Nicolas Sarkozy has openly called for tax cuts to safeguard the French and European economy. He told a press conference that "the situation on the oil market" meant that the European and global economies face "a shock of unprecedented force." "My concept of Europe is that Europe must protect," he added and called on the EU to reduce value-added tax in an effort to counter prices.

Sarkozy, however, found little support from other EU leaders, with German Chancellor Angela Merkel stating obliquely, "I think conditions in every country are very specific." Other government ministers and officials said fiscal measures would "send the wrong signals." "Any subsidies or tax-cuts would simply divert even more money to oil-exporting countries," EU Economic and Monetary Affairs Commissioner Joaquín Almunia said.

The European Commission has also refused pleas from the governments hit by the fishing disputes to provide temporary aid and insisted that fishing quotas should be cut by more than 25 percent for species or zones particularly at risk of overfishing. EU Fisheries Commissioner Joe Borg said that further fuel subsidies (currently up to €30,000 [US\$7,000]) would only "increase overcapacity in the face of dwindling stocks."



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