



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

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THE WEEK IN EUROPE

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**US-EC dispute.** Sir Leon Brittan, Commissioner for External Economic Affairs, reacted strongly to a US statement on Monday that Washington intends to stop Federal agencies awarding contracts to Community companies from 22 March. Sir Leon condemned the US action as "unilateral bullying" saying it was not in anybody's interest, European or American, to deal with trade issues in such a way. The US move is seen as the second aggressive trade measure in the first two weeks of the new administration. Sir Leon rejected US claims that the EC's Utilities Directive on public contracts, which came into force on 1 January, was a protectionist device. It actually increased liberalisation of public procurement in Community markets, providing new opportunities for US firms, he said. The Community is concerned about US protectionist measures, such as the "Buy American Act" which gives a price preference, up to 25% for some transport equipment, on purchases by Federal agencies. Sir Leon said he would be raising the issue with US Trade Representative Micky Kantor in Washington on 11 February. The only way to resolve this type of problem was through balanced concessions, determined diplomacy and multilateralism, he said.

**Irish punt devalued.** After three days of heavy selling by exchange dealers, the Irish punt was devalued by 10% on Monday after a decision by EC finance ministers and central bank governors at the weekend. The Irish authorities issued a statement saying that the country would "continue to pursue the budgetary and other economic policies which have strengthened the Irish economy in recent years".

**Annual economic report.** Presenting the Commission's 1993 Economic Report yesterday (Wednesday), Financial Affairs Commissioner Henning Christophersen stressed that policy actions in Member States should be guided by the need to restore confidence and credibility. Weak demand had influenced both business and consumer confidence making the economic downturn self-perpetuating. Despite hopeful signs emerging in the UK, where 1.5% growth is forecast this year, the Commissioner pointed out that the downturn is expected to become more generalised in Europe, especially in western Germany. A protracted recession in the Community's main trading partners, the EFTA states and the US, continued to depress EC exports. Henning Christophersen highlighted the important role to be played by the Edinburgh growth initiative.

**Commission work programme.** The Commission this week adopted its programme for 1993/4, a year it says will usher in a "new phase of European integration". The Commission intends to concentrate on four priority areas: the successful operation of the Single Market; implementation of the Treaty on Economic Union, once ratified; pursuing the financial priorities agreed at the Edinburgh Council; and increasing openness and improving communications with the general public. The programme also recommends greater consistency in the Community's external affairs. The Commission regards its work programme as a stimulus for lively debate in EC institutions and Member States to involve Community citizens in the EC's future development.

**BA/Dan Air merger.** The Commission has started a one-month investigation into the impact of the merger between British Airways and Dan Air on routes between Belgium and the UK. The Belgian authorities filed a complaint last November, but the Commission delayed investigation until Belgium had supplied comprehensive information. Earlier, the Commission had rejected a full inquiry as the merger fell below the threshold in EC law. However, Belgium is exercising its right of complaint under the little-used Article 22 of the Merger Regulation which allows a separate inquiry into the effects on a national market.

**EC enlargement to EFTA states.** The Commission formally opened accession negotiations with three EFTA applicants, Austria, Sweden and Finland, on Monday. Hans van den Broek, Commissioner for External Political Affairs, said in an address to ministers from the three states, that the start of negotiations was a milestone in the evolution of the Community. It confirmed that the Community was open and responsive to the challenge of its continental responsibilities to contribute to a political and economic order for the whole of Europe. Membership of the Community was a positive step for citizens of the present Community and those of the candidate states, but neither side should underestimate the volume of work ahead, he said.

**Council on TV.** For the first time in the history of the Community, television cameras were allowed into an EC Council of Ministers meeting on Monday. December's Edinburgh summit called for greater transparency in EC institutions and "public access" to Council meetings through televised debate. EC Foreign Ministers were the first to come under scrutiny as they delivered their opening addresses.

**Agreement with Romania.** Also on Monday, the Community signed a European Agreement with Romania

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to promote closer political and economic association. Commission President Jacques Delors welcomed the new phase in relations which he said confirmed Romania's place in the family of democratic European states. He urged Romania to anchor the EC agreement in the Helsinki process to establish political freedom, economic development and protect human rights.

**Central & eastern Europe.** On the initiative of the Danish government, ministers from eastern and central European states (Visegrad states, Baltic republics, Bulgaria, Romania and other former Soviet republics) will meet Community and EFTA counterparts in Copenhagen on 13-14 April to discuss longer term cooperation. The meeting will not be held under the auspices of the Community or Presidency. The Danish government hopes it will make a valuable contribution to the Community's own plans and prospects for cooperation.

**Geneva peace conference.** On Monday, EC Foreign Ministers urged all three parties of Bosnia-Herzegovina to cooperate fully in accepting the Geneva peace plan and draft interim arrangements until "free and fair" elections could take place. They also called upon the US and the United Nations' Security Council to endorse the plan. The Council heard a report from Dame Anne Warburton, the former British diplomat investigating allegations of rape on Bosnian women. Her findings show that rape has been perpetrated on a wide scale, mainly on Muslim women. The Council called for the Community to be allowed access to inspect locations where rape was alleged to have taken place.

**Cooperation with Israel.** Danish Foreign Minister Niels Helveg Petersen welcomed Israel's positive response to US proposals on the Palestinian deportees as a "useful and very good step" to improving Israel's relations with the Community. His comments came at Monday's EC-Israel council aimed at renewing and renegotiating the cooperation agreement between the two. Shimon Peres, Israel's Foreign Minister, underlined the efforts being made by Israel in the peace process and the challenges facing the Middle East.

**US energy tax.** The European Commission welcomed this week's declaration in US government circles that the US is thinking seriously about proposals for an environment and energy tax. Environment Commissioner Ioannis Paleokrassas said that the US plan, if adopted, would open the door to a rapid implementation of the pledges made by all developed countries at the Rio Earth Summit last June. The Commission has already approved such measures, albeit subject to a "conditionality clause" which requires the adoption of similar plans by other leading industrial nations.

**Internal market coordination.** Apart from a few exceptions, the internal market in goods, services and capital is functioning well. This was the conclusion of the first joint Commission and Member State consultative committee on the internal market which met in Brussels on Monday. The free movement of people remained the main obstacle. Raniero Vanni d'Archirafi, Internal Market Commissioner, said the Commission would maintain its pressure and vigilance to ensure the compliance and speedy transposition of all Directives.

**Japan-EC relations.** Speaking at the launch last week of the Community's 1993 Executive Training Programme with Japan for young EC business people, Sir Leon Brittan said that both trading partners needed a better understanding of each other's economies to reach a genuine two-way flow of trade. Sir Leon called for strong Japanese involvement in the Uruguay Round. Signals from the Japanese that they were willing to contribute to the success of GATT would unlock confidence and fresh offers from other countries in Asia, he said. For details of the Executive Programme call John Patrick, PA Consulting, on 071 730 9000.

**"Who's Who in European Politics".** Some 8,170 biographies in a one volume reference work of Europe's (East and West) best-known and lesser-known politicians. Available from the publishers Bowker Saur, cost £159, ISBN: 0857390210. Tel: 071 493 5841 or fax 071 580 4089.

**Delors in the UK.** Commission President Jacques Delors will give a press conference at 12.30, Saturday, 20 February, after the conference "Science and Society" at the Examination Schools, Oxford. Transport from London will be provided for journalists. Buffet lunch available. Call 071 973 1924 from 9 February for details.

**Conference & diary dates.**

**Health & Safety at Work.** The Technology Transfer Centre, Glasgow, is running a one-day programme on 23 March to give guidance to employers and employees on the six new EC health and safety Directives. Cost £50 plus VAT. Contact Robina Fisher on 041 339 5010.

**"The Health Changes and Needs in Europe in 2010" - A Single Market in Medicines.** A conference organised by the Kangaroo Group in Berlin on 4-5 March. Speakers include EC Social Affairs Commissioner Padraig Flynn. For details and bookings, call the Kangaroo Group on 071 588 9755/6 or fax 071 588 9750.

**Council meetings:**

Internal Market	8 February	Brussels
European Parliament	8-12 February	Strasbourg
Education (informal)	9 February	Copenhagen
Agriculture	9-10 February	Brussels

Our next briefing will be on Thursday, 11 February 1993 at 11.30am prompt.