



COMMISSION
OF THE EUROPEAN
COMMUNITIES

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THE WEEK IN EUROPE

Rover-British Aerospace case dismissed. The European Court of Justice has ruled that British Aerospace will not have to repay £44.4m worth of UK government "sweeteners" received when it acquired the Rover car group in 1988. The verdict overturns an EC Commission decision in July 1990, which demanded that the UK government recover £44.4m of concessions granted BAe to secure the Rover sale. The Court dismissed the EC's case on procedural grounds without passing judgement on whether the payments breached rules on European competition and government subsidies. Commission Vice-President Sir Leon Brittan, responsible for competition policy, yesterday (Wednesday) issued a statement in Brussels saying that it was clear that the Court's judgement related wholly to procedural matters and did not touch on the merits of the actual Commission decision. He had studied the Court's findings and would be recommending the Commission to reopen the case by commencing formal proceedings.

Agreement on EEA nearer. Meeting in Brussels on Monday, EC Foreign Ministers made renewed efforts to disentangle the legal snags holding up final agreement on the constitution of the European Economic Area, the 19 nation trading zone linking the EC and EFTA. Joao Deus Pinheiro, Foreign Minister of Portugal, which currently holds the EC presidency, said the EC had pushed members of the European Free Trade Association (EFTA) as far as they could reasonably go in accepting the predominance of EC law. The action opens the way for detailed negotiations on the EEA to continue this month before a possible signing of the Treaty in March. The heart of the present dispute is not over EEA laws themselves - the EFTA states have agreed to some 10,000 pages of existing single market legislation - but over future judicial interpretation of common EEA laws. However the problem could be shortlived since most EFTA countries have applied, or are about to apply, for full EC membership. The original agreement envisaged a mixed court of EC and EFTA judges to ensure uniform interpretation of laws. But last December the European Court of Justice effectively rejected the joint-panel idea, claiming it jeopardised its own autonomy.

EC and the Baltic States. Agreements between the EC and Latvia and Lithuania on trade and commercial and economic cooperation were initialled in Brussels this week. These are the Community's first formal agreements with these Baltic States since their independence was recognised by the EC in August 1991. Each side recognises that this is the first stage in a process of building closer relations.

UK's Presidency. Foreign Secretary Douglas Hurd yesterday (Wednesday) unveiled the logo marking the UK's tenure of the EC Council Presidency which begins in July. The logo - the EC stars and in Hurd's words "an energetic, lively and intelligent lion" at the heart of Europe - shows, Hurd said, "our forthright approach to Europe and maintains British pride and British identity." The UK's priorities would be the completion of the single European market and enlargement starting with the EFTA applications and also helping east and central Europeans prepare for EC membership.

Brittan urges wider role for GATT. Speaking at the World Economic Forum in Davos, Switzerland, on Tuesday, Sir Leon Brittan urged a gradual increase in the scope of the General Agreement on Tariffs and Trade, offsetting its reliance on trade laws. He said worldwide competition rules covering subsidies, cartels, merger policy and even public monopolies should be drawn up under GATT auspices. Without wanting national competition laws to be swept away, Sir Leon said he believed that a strong role should be sought for GATT in the field of competition law and enforcement. On subsidies, GATT already had the power to rule on the acceptability of state aid to companies, but Sir Leon suggested that power should be increased and the system of enforcing GATT decisions strengthened. On cartels, he said the first priority should be to draw up clear international definitions of cartels and restrictive practices. Such cartels should be outlawed through the national legislation of GATT signatories. As a safety net, GATT's central dispute settlement mechanism should be reinforced. Turning to mergers, the Commission Vice-President conceded that a supranational merger authority was impracticable at this stage. He also suggested a role for GATT in dealing with public monopolies.

Dutch Construction Cartel Fined. The Commission has fined 28 construction associations in the Netherlands and their federation, the SPO, a total of 22.5 million ecus (£15.75m) for operating a cartel in the Dutch building and construction industry. After an exhaustive investigation, the Commission found they were in breach of Article 85(1) of the Treaty of Rome.

Andriessen in Prague. The Council for Security and Cooperation in Europe had proved an invaluable source of stability for Europe as a whole, said Commission Vice-President Frans Andriessen, addressing the CSCE Council meeting in Prague last week. He added that experience with the PHARE programme, now in its third year, and totalling 2bn ecus (£1.4bn) was proving invaluable in designating technical assistance for the independent states of the former Soviet Union. Commitments for technical assistance last year came to 400 million ecus (£280m) and this year a further 500 million ecus (£350m) are proposed. Grant aid, credits and credit guarantees for exports of foods and medicines from the EC and central and eastern Europe to the new independent states now total 2.2 billion ecus (£1.54bn).

Shipments of radioactive waste. EC Environment Ministers have adopted a Directive on the supervision and controls of shipments of radioactive waste which is based on the Euratom Treaty and covers all the phases of shipments of radioactive waste between Member States as well as exports and imports. The Directive says shipments of radioactive waste should be controlled by the competent authorities of the states involved; in the case of export from the Community, authorities of the Member State of origin must satisfy themselves that the destination State had the technical, legal and administrative resources to manage radioactive waste safely; no shipment of radioactive waste should take place without prior consent of the State of destination.

Copyright proposal. The Commission proposes to harmonise the term of protection for copyright at 70 years and for neighbouring rights (rights of performers, broadcasters, etc) at 50 years. The terms of protection for copyright and neighbouring rights differ among EC members. Such differences, the Commission says, constitute obstacles to the free movement of cultural products in the single market.

"The Glass Ceiling Breakers", a new film sponsored by Unilever and distributed by the Commission will be launched on 26 February here at Jean Monnet House. This 28 minute video features women making the breakthrough at work in the EC. It is produced by Wilcox Bulmer Productions Ltd.

"European Community: Sources of Information in the UK". By Isabelle Igert, 117 pages - price £14.50 and available from Whurr Publishers, 19B Compton Terrace, London N1 2UN.

"A Guide to Higher Education Systems and Qualifications in the EC" Distributed by Kogan Page, 120 Pentonville Road, London N1 9JN for the EC's Office of Official Publications. Price £22.50. ISBN 92-826-2676-8.

"Eastern Europe and the USSR: the challenge of freedom" by Giles Merritt, Brussels-based economic and political commentator. Essential reading for those concerned about the future of Eastern Europe and the former Soviet Union; price £9.95, also distributed by Kogan Page, for the EC's Office of Official Publications. ISBN 0-7494-0516-3.

Conference and Diary Dates

First international business conference in independent Ukraine. President Leonid Kravchuk will open the first international business conference in the newly-independent Ukraine on 3 March. Details from Ted Horton, The Pacifica Foundation. Tel: 0737-844135.

The first Euro Businesswoman Conference. Recruiting and Retaining Europe's Women Managers. London Hilton on Park Lane, 9/10 March. Co-sponsored by the European Commission. Details from Emery Associates, 42 Downlands Road, Purley, Surrey CR8 4JE. Tel : 081-668-1824.

European Energy Policy - Impact of the Single Market. Seminar on 26 March. Details from Catherine Smith or Judith Higgins, Institute of Energy, 18 Devonshire Street, London W1N 2 AU. 071-580-0008.

European Parliament Session	10-14 February	Strasbourg
ECO/FIN Council	10 February	Brussels
Agriculture Council	10-11 February	Brussels
Informal Environment Ministers	21-22 February	Estoril
Internal Market Council	25 February	Brussels
ECO/SOC plenary session	25-27 February	Brussels

Our next briefing will take place on Thursday 13 February at 11.30 am

NB. The Week in Europe does not necessarily reflect the official views of the European Commission.