

WE/4/89
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THE WEEK IN EUROPE

Brittan targets air transport, telecommunications and energy. Sir Leon Brittan, Commissioner responsible for Competition Policy, has announced that air transport, telecommunications and energy are to be three priority areas for his attention in the near future. Delivering the Procter and Gamble Lecture at Newcastle University on 27 January. Sir Leon, confirmed last week as one of the six Commission Vice-Presidents, gave the first indication of his thinking when he said he intended to ensure that the forces of competition applied equally to all sections of the economy within the Community. Referring to air transport he said a number of measures had already been taken in order to introduce some degree of competition into this highly regulated field, but added: "These measures were only the beginning and more ambitious plans must follow. I believe much greater liberalisation of this sector must be achieved as quickly as possible in the interests of all concerned, and I intend to pursue this goal. Air traffic is still too expensive in Europe and this is largely due to a plethora of restrictive practices by airlines and governments."

Turning to telecommunications and energy, Sir Leon said these were two other highly regulated industries "where competition policy has an important part to play in order to remove the many distortions which currently impede trade and stand in the way of enterprise". He said he would be actively considering the most appropriate next steps needed in this direction. He concluded by saying that now we were in the final straight of the race to complete the single internal market by the end of 1992, it was his task to ensure that in this crucial stage "the temptation to retrench into protectionism and restrictive practices is resisted".

Sir Leon also spoke of implementing the proposed Mergers Regulations which is currently being negotiated in the Community. He said he would continue to seek agreement in this by the Council of Ministers and the EC.

Lord Young in Brussels. The first meeting between Trade and Industry Secretary Lord Young and Sir Leon Brittan took place at the Commission in Brussels on Monday. It was reported that Lord Young showed new flexibility over the plans for an EC Merger Control Regulation saying, after the meeting, that the timetable for agreement was slipping towards the end of the year. He also said the main problem was to ensure that mergers did not have to seek double clearance from national competition authorities and Brussels. The scheme needs the 12 Member States' unanimous support. Lord Young also met Martin Bangemann, the Internal Market and Industry Commissioner; Bruce Millan, Commissioner responsible for Regional Policy, and Frans Andriessen, in charge of External Affairs.

Lawson attacks monetary union schemes. Addressing the Royal Institute of International Affairs last week, Chancellor Nigel Lawson attacked proposals for economic and monetary union in Europe. He said union raised issues which went to the heart of sovereignty and warned that the UK would not accept any further amendment to the Treaty of Rome to give effect to such union. The Chancellor appeared to aim his attack at the 17-man inquiry into economic and monetary union, headed by Commission President Jacques Delors, which will report to the Madrid EC Summit in June. The Delors Committee, which has been meeting monthly since last September, is now starting the crucial final drafting phase of its work.

Award for Lord Cockfield. Former Vice-President of the Commission, Lord Cockfield, has been nominated "The European of 1988" by the French magazine "La Vie". The jury under the honorary presidency of Jacques Delors and the effective presidency of former Commission Secretary-General, Emile Noel, is mainly composed of executives from the principal European media.

Motor vehicle aid framework. The Commission has decided to introduce a framework for state aids in the motor vehicle industry with which it intends to monitor all aids granted to motor vehicle and motor vehicle engine manufacturers. The framework foresees that Member States, from 1 January 1989 onwards, must notify in advance all proposals to grant aid in whatever form, in favour of companies in the sector where the aid to be given exceeds 12m ecus (£7.6m).

Approval for UK EUREKA Scheme. The Commission has approved the UK scheme for aid to EUREKA projects. This scheme has a budget of £13m (about 18.4m ecus) for 1988/89 and is designed to promote the participation of UK firms in R & D projects with other European partners.

SMEs and the Single Market. Alan Mayhew, Director of the Small and Medium-Sized Enterprises (SMEs) Task Force in Brussels is to give a briefing about small businesses and the completion of the Single Market at the Commission's offices in London on Tuesday, 14 February at 11.00 am. Coffee as usual from 10.30 am.

Overseas Development UK Minister for Overseas Development, Chris Patten, briefs in these offices on Thursday, 9 February at 1.00 pm.

Diary Dates

ECO/FIN Council	13 February	Brussels
Informal Transport Ministers	13 February	Murcia
Agriculture Council	13/14 February	Brussels
European Parliament Session	13-17 February	Strasbourg
Political Co-operation	14 February	Madrid
Fishing Council	15 February	Brussels
EC/ACP Ministerial Council	16/17 February	Brazzaville
General Affairs Council	20/21 February	Brussels
Ministerial Meeting San Jose V	27/28 February	Honduras

Our next briefing will take place on Thursday, 9 February at 11.30 am.