



COMMISSION
OF THE EUROPEAN
COMMUNITIES

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THE WEEK IN EUROPE

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BAe to pay back aid. The European Commission yesterday ordered British Aerospace to pay back some £44.4m in aid it received from the UK Government for its purchase of the Rover Group in 1988. After a year-long investigation, the Commission announced that the state aid was incompatible with the Common Market under Article 92 of the Treaty. The aid comprised a £9.5m grant from the UK Government, a £1.5m grant to Rover for legal and other costs and £33.4m which BAe gained from deferred payment. BAe must also repay the aid with interest calculated to run from August 1990 at 10%, the usual rate for state debts on that date. In its statement, the Commission said that recipients of unlawful state aid should not obtain financial benefits from the aid, particularly as competitors in this sensitive industry had not enjoyed the same advantages. In February 1992, the Commission's first attempt to order BAe to repay failed in the European Court of Justice on a procedural technicality.

Commission Vice-Presidents. On Monday, EC Foreign Ministers confirmed the appointments of the Commission Vice-Presidents for the current term. They are Martin Bangemann, Sir Leon Brittan, Manuel Marin, Henning Christophersen and Karel van Miert.

EC funds nuclear safety. On Tuesday, the European Commission approved 20m ECUs for a multilateral fund to improve nuclear safety in the former Soviet Union and Central and Eastern Europe. The fund, to be administered by the European Bank for Reconstruction and Development (EBRD), was the brainchild of last July's G-7 meeting in Munich. By the end of 1993, the Commission will have contributed some 330m ECUs to the fund, some 60% of the total agreed by the G-7. The US will contribute 24m ECUs, Japan 19.5m ECUs, Canada 19m ECUs and around 10m ECUs will come from the Nordic countries. Sir Leon Brittan, Commissioner for External Economic Affairs, said the level of the Commission's contribution showed its deep determination to tackle the problem. Poor nuclear safety standards still represented one of the most serious obstacles to economic and environmental stability.

Czech & Slovak/EC relations. On the eve of his four-day visit to former Czechoslovakia on Tuesday, Sir Leon Brittan described cheap steel imports from Eastern Europe as "one of the smaller causes of the crisis in the EC's steel industry". On the question of limiting steel imports, Sir Leon confirmed that there would be no blanket negotiations or imposition of restrictions. He is visiting Prague and Bratislava for talks with both the Czech and Slovak administrations on the republics' economies and EC priorities for bilateral relations. The Community's main aim was to press ahead with the PHARE programme. The EC was also intent on improving market access for Czech and Slovak goods. Sir Leon said increased trade was a long-term but crucial step towards the republics' goal of Community membership.

Delors in Latin America. Today (Thursday), Commission President Jacques Delors left for a six-day tour of Latin America, visiting Chile, Argentina and Mexico. His visit will deal mainly with Latin America's political relations with the Community and its growing and important voice in international affairs. The Community wishes to see the region's involvement in international fora extended.

Owen report on ex-Yugoslavia. Lord Owen, the European Community's representative at the peace talks on ex-Yugoslavia, reported to EC Foreign Ministers on Monday that the negotiations had reached a "critical phase". The talks would now proceed in two definite and interlinked stages. First, efforts would be concentrated on getting the Bosnian Muslims' leader Alija Izetbegovic to agree to the Vance/Owen plan for the division of Bosnia into semi-autonomous regions. Pressure would then be mounted on the Bosnian Serb leader, Radovan Karadzic, to persuade him to endorse this stage of the plan. Lord Owen stressed the need for strong cooperation between all parties sponsoring the peace, notably the United States, Russia and the Community. The Danish Presidency urged a contingency plan, a peace conference along the lines of the London talks last August, should the Vance/Owen plan fail.

EEA agreement. Monday's General Affairs Council approved changes to the European Economic Area agreement to accommodate Switzerland's exit from the negotiations after the country's No vote in a referendum on the EEA last December. The new protocol adjusts contributions to the Cohesion Fund by the other EFTA states after Switzerland's withdrawal. The two sides have agreed to implement farm concessions from 15 April before the agreement comes into force, probably on 1 July. The revisions are due to be formally approved by a joint diplomatic conference at the end of March once the European Parliament has given its final approval during this week's parliamentary session.

Cohesion fund. Also on Monday, Community Foreign Ministers reached a political agreement on the start date for the Cohesion Fund. The fund, which is due to begin operations on 1 April and run for one year initially, is still subject to approval by the European Parliament. MEPs are reported to have given a broad welcome to the fund during a debate in Parliament yesterday (Wednesday). The Commission intends the fund to be up and running before final ratification of the Maastricht Treaty in order to tackle problems immediately in the so-called peripheral states, Portugal, Spain, Ireland and Greece. The fund is based on Article 130d of the Maastricht Treaty.

New guidelines for R&D. With the Community's own research budget less than 4% of total government research funding in the twelve Member States, the Commission announced on Tuesday a more selective and integrated approach to its R&D to maximise the effects of Community spending. Under draft guidelines for the Fourth Framework Programme (1994-98), the Community's limited resources will be coordinated strictly with national research and aimed at "generic technologies" to make a greater impact on Europe's industry. The programme will include new areas: research into transport systems and socio-economic projects focusing on the urban environment, social exclusion and education.

Commission meets scientists. To strengthen relations with the scientific community and help focus the European Community's research policy, Commissioner for Research Antonio Ruberti held talks with three eminent European scientists last week. After this first meeting with the advisors - Professor Francois Gros, Director of the Pasteur Institute, Paris; Ilya Prigogine, a physicist, chemist and Nobel Prize winner; and Carlo Rubbia, also a Nobel Prize winner, and Director-General of CERN (European Centre for Nuclear Research) - Ruberti said that the Community must rely on experts from the scientific world in order to make the right choices in conducting its research policy.

Energy and the Baltic states. The energy working group of the G-24 countries met ministers from the three Baltic states (Estonia, Lithuania and Latvia) in Tallinn, Estonia, last week for discussions on improving and stabilising energy supplies. The meeting, under EC chairmanship, urged greater regional cooperation between the states on energy matters and specifically looked at plans for a Baltic regional electricity system, BALTEL, and connections with Finnish and Polish supplies. The group highlighted the problem of the states' heavy dependence on Russian gas, but acknowledged that diversification of supplies was only possible in the long term due to the large costs involved. The G-24 will promote regular meetings between Baltic energy ministers and coordinate international financial assistance.

Democracy and the press in Africa. Speaking in Brussels on Friday at a colloquium on press freedom and democracy in Africa, Development Commissioner Manuel Marin said there had been in sea-change in European Community development policy in recent years. In the past, the Community had followed a "neutral" policy towards internal African affairs. Only the worst violations of human rights had been condemned, he said. Now the Community linked humanitarian aid directly to democratisation and human rights. This change was due to the courage of sectors of the African press in bringing the violation of human rights to the attention of the Community. There was no such thing as one democracy for whites and another for blacks, he said.

"The European Challenges Post-1992". Centring on socio-political and cultural concerns and their interplay with the economy, this book combines expert opinion from twelve major European research institutes to provide an analysis of the factors shaping each Community country. Edited by Alexis Jacquemin and David Wright, advisors to the European Commission. Price £15.95 paperback, £49.95 hardback. Available from Edward Elgar Publishing, Tel: 0242 226934, fax: 0242 262111.

"Live & Work" guides to Community countries. A series of guides to living and working in Community countries with special sections on entry regulations, property-buying, daily life, retirement and employment. By Vacation Work Publications, tel: 0865 241978.

Conference & diary dates:

European Employment Law. A conference on Friday, 12 March in London on the implications of European employment law for local authorities. For details, tel: 071 227 2913/2915.

Research & Development. A one-day seminar on 26 March at Brooke City Technology College, Corby on EC funding on R&D. Details: Call Alison Brierly, Northamptonshire Council on 0604 236762.

European Social Fund, the new framework. A conference on 26 March at the University of Bradford with speakers from the Commission and Social Fund projects. Contact Pat Grosse on 0274 383832.

Council meetings:	Transport	15 March	Brussels
	Ecofin	15 March	Brussels
	Agriculture	16-17 March	Brussels
	Fisheries	18 March	Brussels
	Industry (informal)	19-20 March	Nyborg, Denmark

Our next briefing will be on Thursday, 18 March 1993 at 11.30am.