



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

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THE WEEK IN EUROPE

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**Summit conclusions.** UK Prime Minister John Major and Commission President Jacques Delors expressed satisfaction at the outcome of the Edinburgh European Council and defended the agreements achieved there during the session of the European Parliament in Strasbourg yesterday. Major urged the Community to lift its sights towards the future and to the healing of the division across the heart of the continent. In a reference to the delays in ratifying the Maastricht Treaty, Delors said "time was on our side." What difference would six months make provided all came together at the end to realise the ideals of the Community's founding fathers? In the Commission's view the deal reached at Edinburgh was a clear demonstration of the Community's capacity to agree and to relaunch the progress towards integration. At the conclusion of the Summit, it was announced that a legally-binding decision had been reached which would enable the Danes to campaign for a Yes vote in a second referendum some time in the spring. The Danes will be able to opt out of the single currency and defence arrangements of Maastricht. The agreement did not entail any renegotiation of the Treaty on European Union. Delors commented that some 85% of the Commission's proposals for Community financing had been agreed. Funds for the four cohesion countries, Ireland, Spain, Portugal and Greece, were doubled. Guidelines were also agreed on the question of subsidiarity (national powers would be the rule, the Community's the exception) and of greater openness in Community activities. The Council also agreed the growth initiative proposed by the Commission to combat unemployment. With the Edinburgh decisions on Maastricht and the Delors II Package of future financing, the Council paved the way to opening accession negotiations with the first three EFTA applicants, Austria, Sweden and Finland from 1 January.

**Sunday trading.** The European Court of Justice ruled yesterday that the UK's restrictions on Sunday trading in England and Wales do not conflict with Community law. The Court stated that national rules restricting the opening of shops on Sundays reflected "choices relating to particular national or regional socio-cultural characteristics". It was for Member States to make those choices.

**Taxation in the single market.** On 1 January 1993, borders will come down in the Community, paving the way for a seamless open market within Europe. Consumers will be the big winners. There will no longer be customs checks for people travelling between Member States who will be able to bring home anything they have bought in another country including wine, spirits and cigarettes, as long as the purchases are intended for private consumption. Under the new VAT system private individuals need pay the VAT only once, in the country where they buy the goods. Duty-free shops will however continue until 1999. For business, the new VAT system does away with lengthy, complex and often costly border checks. All businesses will have access to a computerised VAT information exchange (VRIES) to speed up their VAT returns.

**BA/Dan Air inquiry.** At the request of Belgium, Competition Commissioner Sir Leon Brittan has opened an inquiry into the British Airways' takeover of Dan Air just a month after the deal was cleared by Brussels. The new inquiry is based on Article 22 of the Merger Regulations which permit any Member State to request an investigation into the effects on competition on their national territory. The Commission's examination under Article 22 does not suspend the BA/Dan Air merger.

**EIB loan to Ford UK.** The European Investment Bank is to support Ford UK's development of a new multi-valve engine with a £200m loan. The funds are to cover part of the company's investment in factories at Bridgend and Swansea, South Wales and in Belfast, Northern Ireland, under the Community's objective to further regional development. The new engine, code-named 'Zeta', will be installed in the Fiesta and Escort/Orion ranges and the new Mondeo to be introduced next spring.

**EIB loans to North Sea oil and Strathclyde.** As part of the Community's commitment to strengthening the EC's security of energy supplies, the European Investment Bank is also providing a £120m loan to develop two oil and gas fields in the North Sea. Total Oil Marine plc's loan will develop reserves of the Dunbar and Ellow fields some 440 km north of Aberdeen which come on stream in 1994/5. Reserves are estimated at 285 million barrels of oil equivalent. Strathclyde Regional Council is to use a £100 loan to develop roads and clean water facilities.

**Car markets.** The Commission announced on Monday the first fruits of its initiative to free up the trade in cars between Member States and close the price gaps. Following the Commission's initiative in May, major car manufacturers have agreed to reassure their dealers of their rights concerning the sale of cars across EC borders. Manufacturers will also publish detailed six-monthly pricing data enabling customers to make a

genuine comparison of prices. Sir Leon Brittan welcomed the move saying that the new arrangements constituted an "excellent start" in increasing consumer and dealer knowledge and the options open to them.

**HDTV funding.** The development of high definition television in the Community was put on hold on Tuesday after Telecommunication Ministers failed to agree on funding. The Commission has proposed a commitment of 500m ECUs over five years for the HDTV action plan to develop satellite and cable services. Information Commissioner Filippo Pandolfi said afterwards that the Commission would continue to push for adoption of the action plan at next week's General Affairs Council.

**New Commission.** The current Dutch Foreign Minister, Hans van den Broek, has been appointed to the new Commission which takes office early in January, replacing Vice-President Frans Andriessen. Jacques Delors paid tribute to Andriessen's remarkable twelve years of service in Brussels. Ireland is the only Member State still to announce its new Commissioner. Portfolios are expected to be announced before Christmas.

**PHARE benefits from summit.** PHARE officials yesterday welcomed the conclusions on aid to central and eastern Europe from the Edinburgh summit. The conclusions stressed the importance of the Europe Agreements as "the means by which the Community intends to support and encourage political stability and economic growth". Frans Andriessen said that PHARE funds would be aimed more at SMEs to give a jump start to economic recovery. Some 1bn ECUs was committed to PHARE in 1992 covering 77 projects.

**Late payment.** The Commission published a working paper last week to open debate on the affects of the late payment in business transactions, particularly on small and medium-sized enterprises. The discussion paper takes up the findings of a report by business research company Dun & Bradstreet which showed that 46.6% of UK firms were late-payers, the third worst record in the Community.

**Research on SMEs.** The Commission launched last week a Community-wide research programme, or "observatory", to monitor, analyse and promote the development of small and medium-sized enterprises (SMEs) in the single market. The observatory of 12 Community research institutes, including the Centre for SMEs at the University of Warwick, will publish annual reports on the business climate for SMEs. With SMEs accounting for seven out of every ten jobs in the Community, the Commission attaches great importance to their contribution to economic recovery in the Community. The first observatory report is out next spring.

**EC interregional conference.** UK Minister for Industry Tim Sainsbury told an EC conference on INTERREG, the Community's interregional fund, that structural funding would reach 30bn ECUs a year now that Edinburgh had put Community finances on a "sound, fair and affordable basis". This week's two-day Brussels conference of over 900 politicians and administrators heard calls from the floor for direct cooperation between the regions and Brussels. Regional Affairs Commissioner Bruce Millan said the Commission was convinced of the value of the INTERREG programme as an instrument for promoting economic and social cohesion.

**Aid to Gaza.** The Commission announced last week 5m ECUs aid for private hospitals in the occupied West Bank and Gaza Strip. The monies, disbursed by the Red Cross over the next six months, are aimed at improving the poor health of the Palestinians.

**Journalism prize.** The first Lorenzo Natali journalism prize for articles published on human rights and third world development was awarded last week to Paris-based "Reporters sans Frontiers", the magazine of an organisation working for human rights. A special commendation went to Nicoue Broohm from Togo for his article on Africa. The 5,000 ECUs prize, in memory of the former Commissioner for Cooperation and Development, is open to articles written in Community languages from publications throughout the world.

**"Business Guide to EC Initiatives".** This book, produced by the American Chamber of Commerce in Belgium, is a twice-yearly update of EC policies and legislation, complete with an evaluation of their impact on business. Price BFr 1,500. Contact EC Committee on tel: 010 32 2 513 6892 or fax: 010 32 2 513 7928.

**"Local Government in the Single Market".** An invaluable guide providing a fully-updated picture of recent developments in the European Community and their effect on local government in the UK. Written by Paul Bongers, Director of the Local Government International Bureau. Published by Longman, ISBN: 0582100585.

**Conference & diary dates:**

**Britain & Europe -A National Conference of UK "Regions"** 7,8 January 1993, at Stoke Rochford near Grantham to discuss creation of a public information service about the EC. Details: 071 973 1963.

**Has Farming a Future?** Guest speakers discuss the MacSharry reforms at an evening discussion held by the London Europe Society on Monday 21 December at 6.30 at St. Ermin's Hotel, Caxton Street, London SW1. Cost £3 debate only/£24 with dinner. Contact Mrs Dora Prag on 043 871 2999.

**Council meetings:**

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| Internal Market | 17-18 December | Brussels |
| Fisheries       | 19-20 December | Brussels |
| General Affairs | 21 December    | Brussels |

**Our next briefing will take place on Thursday, 7 January 1993 at 11.30am.**

**We offer seasonal greetings and wish a Happy New Year to all our readers.**