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THE WEEK IN EUROPE

GATT talks revived. A renewed effort is being made to break the deadlock in the Uruguay Round of the GATT talks which were adjourned in December. EC officials now say that the global trade talks will restart in Geneva on Friday. The EC and the USA agreed at a meeting in Washington on Monday between Commission Vice-President Frans Andriessen and US Trade Commissioner Carla Hills to accept an invitation from GATT Director-General Arthur Dunkel to send negotiators to Geneva. The Brussels meeting in December collapsed amid controversy over farm subsidy cuts. The US and several of the Cairns Group of 14 farm exporting countries have said they would not resume talks unless the EC was clearly ready to improve its offer. However, EC officials are reported to have said that no breakthrough had occurred on details of farm reform during Andriessen's visit to Washington nor during his meeting last week in Punta del Este, Uruguay, with Ministers from six Latin American countries. The EC Commission will be represented at Friday's talks by Hugo Paemen, its chief Uruguay Round negotiator, and by Guy Legras, Director-General for Agriculture. Speaking in Canada on Tuesday, Andriessen painted a sombre picture of prospects for the new talks saying developing countries' demands for the EC farm policy reform were a big obstacle to ending the Uruguay Round successfully. Andriessen criticised developing countries, whose offers he dismissed as "not impressive", for seeing the GATT negotiations as talks on liberalised farm trade rather than a broad trade issue package. All players had to be prepared to pay a price to get the package accepted, including the EC, he said.

Poos and Andriessen in USA. Jacques Poos, Foreign Minister of Luxembourg which currently holds the EC Presidency was in Washington this week with Andriessen for talks with the US Administration. After seeing Secretary of State James Baker, Poos said the meeting was dominated by the Gulf crisis, and that Baker had raised the question of increased financial contributions from EC states. EC financial aid to front line states was open ended, but some EC members might wish to increase their help. There were no peace initiatives in the wind. "The only peace initiative must come from Saddam Hussein and that is getting out of Kuwait," he stated. As for the post-war scenario, Poos said a Marshall Plan might be needed. The EC would have a major role to play.

NATO Chief calls for common EC defence policy. Manfred Woerner, NATO's Secretary-General, said last week that European disarray over the Gulf war showed the need to speed up the creation of a common EC foreign and defence policy. Woerner suggested that just belonging to NATO was no longer enough for EC states. He told the Centre for European Policy Studies in Brussels: "If Europe is to measure up to its new responsibilities - and it has no choice, it must - then it will have to pull itself together rapidly and free itself of outmoded notions of sovereignty".

Parliament votes Gulf compromise resolution. Meeting in plenary session in Strasbourg last week, the European Parliament passed - by 202 votes in favour, 98 against and 25 abstentions - a compromise resolution on the Gulf war. This said that "explicit" respect by Iraq for UN resolutions, accompanied by "the start of full and controlled withdrawal" of Iraqi troops from Kuwait on "a binding and rapid timetable" could lead to an end to hostilities. In addition, the European Parliament has decided to have two extra Committee sessions, one yesterday (Wednesday) and the other on 6 February. The sessions will be devoted to the Gulf and to the situation in the Baltic States. The Commission also heard a communication from Commissioner Abel Matutes on the situation in the Gulf at its meeting in Strasbourg last week.

Urgent need for EC Foreign Policy. Because of the likely effects of the Gulf war and events in the Soviet Union, Sir Leon Brittan believes the need for foreign policy cohesion among the twelve members of the EC is more urgent than ever. In a speech to be delivered in London tonight (Thursday) to the Marketing Group of Great Britain, the European Commission Vice-President says it was clear the USA was likely to scale down its presence in Europe. This meant that we had to redouble efforts to create institutions which would enable us to pursue a more coherent European policy in the future and to determine the course of events affecting us closely. Paradoxically by achieving this, we were likely to strengthen the hand of those in America who wanted to maintain their commitment to an active role in Europe, and weaken the arguments of those who were tempted to reduce it.

Decrease in EC anti-dumping duties. The latest EC report on dumping shows that the Commission imposed fewer anti-dumping duties and accepted fewer price undertakings in 1989 than in any year since 1985. During 1989 just ten anti-dumping duties were imposed and five price undertakings given, with five cases closed without evidence found of dumping. At the end of 1989, 60 cases were outstanding, three times as many as in 1986.

Council approves fiscal programme. Meeting in Brussels on Monday, Finance Ministers approved a work programme dealing with the abolition of fiscal frontiers. The key features of the programme are the transfer to juridical form of the Council's conclusions of 3 and 17 December 1990 concerning the transitional arrangements for VAT, the definition of VAT schedules, a global decision on travellers' allowances and a solution to taxation on lorries, on diesel fuel, on car discs and on motorway tolls. The Ministers then turned their attention to action in favour of Central and Eastern Europe. It was agreed that within the context of G24 Hungary would get a supplementary grant of \$250m. Czechoslovakia will get an extra \$500m. Furthermore, the Ministers agreed on a medium term assistance package to Greece for its balance of payments problems of 2.2bn ecus (£1.5bn).

Meeting on EMU. At the second meeting of the Intergovernmental Conference on Economic and Monetary Union, held in Brussels on Monday, both the French and Spanish Finance Ministers made presentations for the examination of their colleagues. Commission President Jacques Delors also intervened pointing out that five major questions still remained to be resolved: the content of EMU; economic and social cohesion; the role of the ecu; the period of transition or the second phase of EMU; the institutional aspects.

MAP-TV. Commissioner Jean Dondelinger, responsible for Information and Communications, has just proposed a new 750,000 ecus (£525,000) programme for the secondary marketing of documentaries and film fictions entitled MAP-TV (Memory - Archive - Programmes). This project comes within the framework of the MEDIA programme 1991-95. MAP-TV constitutes the first concrete realisations of the link between Eureka Audiovisual and Media.

PHARE. The Commission has decided to implement two more programmes within the framework of the PHARE (aid for Central and Eastern Europe) project. The first involving 20m ecus (£14m) will be for the creation of support mechanisms for the private sector and will benefit all countries receiving PHARE support, namely Bulgaria, Hungary, Poland, Romania, Yugoslavia and Czechoslovakia. The second amount consists of 5m ecus (£3.5m) for a programme of multidisciplinary technical assistance.

Euro-data analysts now offer an updating service and complete historical database covering all items relevant to EC legislation and controls on food packaging. For further information contact EDA/LLK, PO Box 13, Dorking, Surrey RH5 4YL. Tel/Fax: 0306 884473.

"Presenting your case to Europe" by Peter Danton de Rouffignac. Foreword by Lord Clinton-Davis. This book is about the delicate art of lobbying the Community institutions, whether on behalf of Governments, local authorities, business or special interest groups. Published by Mercury Business Books at £25.00. For more information contact The Michael Hyde Partnership, 44 High Street, Balsham, Cambridge CB1 6EP. Tel: 0223 893632. Fax: 0223 894073.

European Planner. Information on forthcoming events in 26 European countries, covering politics, business, trade, art and sport from Profile Systems Ltd. Contact: Melanie Knights on 071 831 9159.

Conference and Diary Dates.

Lome IV - Innovations and Improvements. 18 February at City Conference Centre, 76 Mark Lane, London EC3. For more information contact Nynzi Maung, London Chamber of Commerce and Industry. Tel: 071 248 4444. Fax: 071 489 0391.

Seminars on Europe. Organised by the Surrey European Management School of the University of Surrey: 20 February - Marketing Strategies for the Single Market; 20 March - A Strategic Overview of Europe. Enquiries: Lesley Stonely. Tel: 0483 509 347. Fax: 0483 300 803.

Institute of Petroleum luncheon meeting at the Dorchester Hotel, Park Lane, London W1 - 21 February at 12.30pm. Speaker Raymond Bloch, President, European Petroleum Industry Association. For details contact Caroline Little on 071 636 1004.

General Affairs Council	4-5 February	Brussels
Agricultural Council	4-5 February	Brussels
Internal Market Council	18 February	Brussels
European Parliament Session	18-22 February	Strasbourg
ECO/FIN Council	25 February	Brussels

Our next briefing will take place on Thursday, 7 February at 11.30 am.